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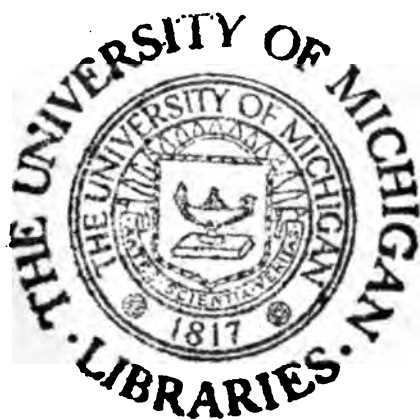
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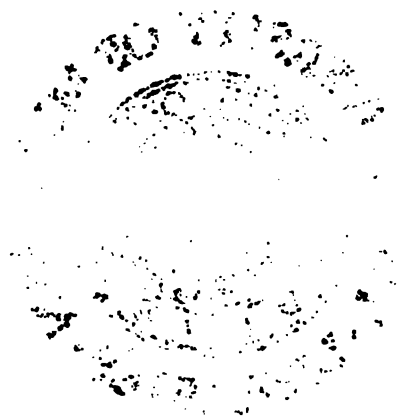
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HISTORICAL SKETCHES
OF THE
PAPER CURRENCY
OF
THE AMERICAN COLONIES,
PRIOR TO THE ADOPTION OF THE FEDERAL CONSTITUTION.
FIRST SERIES.

BY HENRY PHILLIPS, JR., A. M.

The earth hath bubbles, as the water hath,
And these are of them.—MACBETH.



PRINTED FOR W. ELLIOT WOODWARD.
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1865.

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By HENRY PHILLIPS, JR.,

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EDITION OF 250 COPIES, AND 3 ON DRAWING PAPER.

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P R E F A C E .

During the last few years, considerable attention has been drawn towards the subject to which this volume is devoted. The various issues of the paper money of the American colonies, and of the Continental Congress, extending over a period of nearly a century, had become an attraction to many persons who had entered into the pursuit of collecting them. Naturally they sought, but mostly in vain, for the information which was to explain the origin and history of the notes, and to guide them in their investigations. Some works bearing upon the subject were known to be in existence, but were not generally available, while the growing desire of a closer knowledge of their contents, caused continual inquiry and search to be made for them.

The fruitless results so often arising from such inquiries created in the mind of the present editor (and of most of the sketches the author) the design of bringing together,

in a compact form, suitable for reference and preservation, the most material part of such information extant, from the dawn of our annals to the present day. It is not the intention of the present volume to give a history of paper money in general, although there is much curious matter, not usually known, which might be stated in reference thereto. Long before the European civilization had reached the period where paper money becomes of service, this resource had been used by the nations of China and Tartary. A representative currency had existed even before the days of paper, when baked earth, porcelain, coal, salt, lime, cotton, fruit, shells, and even *human bones*,¹ had acted as a medium of trade. The step taken from a real currency of matter or of barter to an ideal one, betokens a high advance in civilization. The North American Indians, even, are said to have followed the example of the colonists, near whom they dwelt. *Pontiac*, in 1760, seventy years after Massachusetts Bay had set the example of the creation of paper money, issued pieces of bark stamped with his *totem*, which on presentation were redeemed by him.²

In the following pages it is proposed to give a short notice of the chief publications on the subject of the

¹Evelyn's *Discourse on Medals*.

²Rogers's *Travels in North America*, quoted in the *Banker's Magazine*.

American paper money and of their principal characteristics.

In the year 1839, the Rev. Joseph B. Felt published a *History of the Massachusetts Currency*, a work of sterling value, now of not frequent occurrence, presenting among other matters an animated account of its paper money. Of the currency of *Rhode Island*, an interesting and elaborate sketch was about the same time prepared and *privately* distributed by Hon. E. R. Potter of that state, who on learning of the present undertaking, with great kindness furnished the present author with a revised and corrected copy, and gave his permission that it might be herein reproduced. Much thanks are due to him, and are respectfully tendered.

The next to be considered is a pamphlet which, until recently, was the most difficult of acquisition of all that has been written upon the subject. In the year 1843 Hon. Samuel Breck, a venerable and esteemed citizen of Philadelphia, now shortly deceased, read before the American Philosophical Society a series of essays on the *History of the Continental Money*, which were afterwards privately printed by their author. The work was more for a *moral* than for any other purpose: to rescue the reputation of the statesmen of the Revolution from the reproach of having left unpaid the immense mass of public debt incurred by

the creation of paper money ; to shew the causes why full liquidation did not take place. As the sketch was prepared for a special end, which was not a historical one, it will therefore, when viewed from the stand point of history, be found to contain many inaccuracies and to have omitted much valuable matter relating to its subject. At the dispersal of the library of the late Edward D. Ingraham in 1855, a manuscript copy of this pamphlet, in the holograph of that distinguished collector, illustrated with specimens of the currency, is said to have been sold for a large price. The pamphlet itself will probably be submitted to our readers in a later volume of the present series.

At St. Louis, Missouri, in 1851, there was published an account of the early American currencies: it is anonymous, and is known among the collectors as *The St. Louis Pamphlet*. It is excessively crude and inaccurate, but as forming part of the scant bibliography of the American paper money would have been reprinted in the present volume had not circumstances imperatively intervened. It is of very great rarity, and at the sale of the library of the late John Allan was sold for sixteen dollars.

Not much other information of importance exists. Mr. Wm. M. Gouge, in his *History of Paper Money and Banking in the United States*, furnishes a short general sketch of the colonial currency, but adds nothing to our stock of

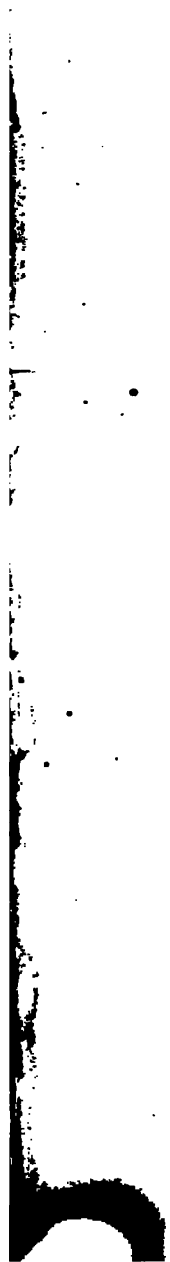
knowledge, as most of the matter it contains has already been in print in better form. Its contents, as far as they relate to the Continental Money, are chiefly taken from the essays of Peletiah Webster, an eminent financier of the time of the Revolution, of whose works both Mr. Gouge and Mr. Breck have made liberal use.

The project of a general sketch of the histories of the Paper Money of the original colonies was formed in the mind of the present editor before the commencement of the war. It is impossible at this time to carry out the project in its entirety, as the materials for certain of the sketches do not exist in the Northern States. At a future day, and we trust a not far distant one, it is our intention to prepare the history of the North and South Carolina and Georgia Paper Money.

Not only to those immediately interested as collectors of Paper Money, but to all who may care to become acquainted with the earlier scenes in our country's drama, the present volume is submitted, with the hope that it may be found of interest and of utility.

HENRY PHILLIPS, JR.

Philadelphia, Jan. 2d, 1865.



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ERRATA.

Page 29—line 5 from bottom, for *was* read *and was*.

“ 37—for *Anthony & Morris* read *Anthony Morris*.

“ 45—for £11,000 read £12,000.

“ 46—line 19, for £2, read £5.

“ 71—*to* should be in roman letters.

“ 72—for £12 10-100 read £12 10s.

“ 75—for 1769 read 1764.

“ 96—for £300,000 read £30,000.

“ 108—for *Rode Island* read *Rhode Island*.

“ 108—line 12, for 1847 read 1747.

“ 110—for *Jones's Patent* read *Field's Patent*.

“ 154—for 1690 read 1790.

AN
HISTORICAL SKETCH
OF THE
Paper Money issued by Pennsylvania,
TOGETHER WITH AN APPENDIX CONTAINING
A COMPLETE LIST OF ALL THE DATES, ISSUES, AMOUNTS,
DENOMINATIONS, AND SIGNERS.
BY HENRY PHILLIPS, JR.

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PENNSYLVANIA PAPER MONEY.

Pennsylvania lingered long behind her sister colonies in the emission of paper money: not until after many years had elapsed, during which they had experienced the advantages and disadvantages of a paper circulating medium founded upon the public credit, did she venture to take upon herself such a responsibility. Nor did she rashly or unadvisedly set herself to the task; the fate that had befallen the notes issued by the New England colonies, and by the Carolinas, and the great losses caused by their depreciation, warned her against yielding too much to the prevalent mania for a paper currency; and as prudence guided her rulers, she, till a late period, was free from the calamitous events brought upon the other colonies, by excessive and ill-guarded issues. Cautious, indeed, were her proceedings.

In the early days of the province, there is no reason to doubt, that the circulating medium was plentiful enough for the ordinary uses of life. Gabriel Thomas, in 1697, expressly says, that silver here was more plentiful than in England. How long this state of things continued, there

is no record, but the exigencies of trade with Great Britain soon drained off the current coin, and we find, in 1719, that a proposition was before the legislature relative to making produce a legal tender for debts. This measure, however, was not carried into effect, and Pennsylvania suffered until 1723, when a paper currency was adopted. Two years previously the question had been agitated, but no favorable action had resulted.

On the second of January, 1722-3, a petition was presented to the house of assembly from a number of merchants and others, inhabitants of the city of Philadelphia, setting forth "*that they were sensibly aggrieved in their estates and dealings to the great loss and growing ruin of themselves, and the evident decay of the province in general, for want of a medium to buy and sell with,*" and praying that a paper currency might be established. On the same day a petition from some of the residents of Chester county was also presented *against* the creation of a paper currency, but desiring that the produce of the province should be made a currency, that the current money should be raised in value and its exportation prohibited. Others from this county and the county of Bucks united in favor of a paper currency. These were referred to the committee on grievances, who reported, as to the Philadelphia one, "that it contains matters of fact, and what they believe to be true, and worthy of weighty consideration, and refer it to the house:" as to the petition from Chester, they "refer to the house, whether the raising the cash or striking paper money will be most to the advantage of the province? but humbly presume if dollars were raised to *five shillings* a

piece, it might be of benefit, and they think it would be impracticable to prevent the exportation of specie; they are of opinion, that if a law was made to make the country produce, at market price, pay for servants, goods imported, and to discharge judgments and executions, it would be of public service."¹

On the eighth day of the same month, the house resolved "that it was necessary that a quantity of paper money, founded on a good scheme, should be struck and imprinted," and at the same time determined that "lion or dog dollars, weighing sixteen pennyweights or upwards, shall pass for five shillings."

Several interchanges of opinion took place between the assembly and the governor, resulting, on the twenty second day of March, 1723, in the passage of an act for emitting *fifteen thousand* pounds in bills of credit. Knowing that an over issue produced depreciation, and that depreciation was the great danger to be guarded against, with the warning examples of the other colonies constantly before their eyes, this moderate sum at first sufficed. Not without opposition from some prudent persons was the matter carried through.

The bills were to be loaned out on land security or plate of treble value (at five shillings per ounce), deposited at the loan office, and at five per cent. interest; they were made a tender in payments of all kinds, under penalty of voiding the debt, or forfeiting the commodity, and annual payments were to be made by the borrowers of the in-

¹On the 5th of February such an act was passed.

terest, together with one-eighth of the principal. To sign them, four gentlemen were appointed, for which service they were each to receive twenty pounds. A loan office for their emission was created, and Samuel Carpenter, Jeremiah Langhorne, William Fishbourne and Nathaniel Newlin, were appointed trustees,¹ to be paid annually a salary of fifty pounds each.

The preamble of the act recites the difficulties under which the colony labored for want of a currency, and the act itself gives full particulars, together with the form of the bill, as follows:

"This Indented Bill of current money of *America*, according to the act of Parliament made in the sixth year of the late Queen ANNE for *ascertaining the rates of foreign coins in the Plantations*, due from the Province of Pennsylvania to the Possessor thereof, shall be in Value equal to money and be accepted accordingly by the Provincial Treasurer, County Treasurer and the Trustees for the General Loan office for the Province of *Pennsylvania*, in all publick payments and for any fund at any time in any of the said Treasuries and Loan Office. Dated at *Philadelphia*, the day of in the year of our LORD *one thousand seven hundred and twenty-three*, by order of the Governor and General Assembly."

Upon the notes, which ranged in value from *one to twenty* shillings, about the middle of the left side were to be impressed the arms of Pennsylvania.

Several supplements were passed during the same year amending and qualifying various sections of the act, but are of no importance.

¹ These trustees of the loan office were often changed.

So great were the benefits which seemed to accrue to the province from this addition to their currency, and so immediately were they felt, that in December a new issue of thirty thousand pounds on the same terms and restrictions was ordered to be made.

In March, 1726, an act was passed for reëmitting and continuing the currency of the bills as they came back into the loan office, and to replace such as had become torn or defaced a further sum of *ten thousand pounds* was ordered to be struck. This amount did not *add* to the currency in circulation, which remained as before, forty-five thousand pounds.

In October a letter was received by the governor from the lords of trade, &c., in England, dated May 11th, 1726, in reference to the two paper money acts of 1723 and their supplements.

It set forth the evil consequences that had resulted in the other colonies from the issuing of bills of credit, and stated that naught restrained them from laying these bills before his majesty, to be repealed,¹ save tenderness alone to the innocent holders in whose hands they might be; and if any further acts were passed, creating more bills of credit, in addition to those already issued, means would be taken to have them disallowed; and it concluded by requesting "that the funds appropriated for the payment of these bills should be duly applied."

¹ This in one instance was actually done. An inordinate issue of paper money made by Barbadoes, in 1706, was after several years' existence, disallowed, though the bills had been long in circulation, and great suffering resulted from their repudiation.

This letter the governor transmitted to the assembly, with a message stating that the act which had passed early in this year, before its receipt, should be laid before the lords of trade and their approval secured; and as it did not increase the existing currency, no objections were made.

inter The bills soon became the prey of rogues, who successfully counterfeited them, to an alarming extent, though at the risk of a severe punishment. The acts provided that counterfeiting should be punished by the loss of both ears, by a fine of one hundred pounds, and a payment of double the value of the loss sustained by those aggrieved by the fraudulent bills; and in case of inability to pay these sums the offender was to be sold into service for seven years.

But this did not prevent large quantities of fraudulent paper from being put in circulation, which appears to have been chiefly manufactured in Ireland and exported hither.¹

In New Jersey it was so successfully practised, that within four years after their first emission it was found necessary to call in the whole, as it was not possible to discern between the good and bad notes.

To remedy this, on the bills emitted by Pennsylvania in 1726, there was ordered to be imprinted the figure of a crown on those of five shillings, of two crowns on those

¹New York, Mar. 13, 1726. Publick notice is hereby given that at Philadelphia they have found out some twelve shilling bills that are counterfeit. They are newly printed, and very artfully signed. In the flourish in the top of the bill there is the representation of a *basket*, which in the counterfeit is much finer than in the true bills, and the great C is much plainer than in the true bill.—Bradford's *New York Gazette*.

of ten, three on those of fifteen, and four on those of twenty shillings. This simple device was held to afford sufficient protection against fraud in the state of the arts then existing in the province.

As the expiration of the eight years drew near, the term to which the forty-five thousand pounds had been originally limited, great uneasiness was felt at the approaching withdrawal from circulation of so much value, and it was feared that the colony would soon be left without a currency proportioned to its commercial requirements. To remedy this, in May, 1729, Patrick Gordon, the then governor, in direct contravention of the instructions of the lords of trade, but believing the great wants of the colony and its real welfare to be his sufficient excuse, gave his assent to a law authorizing the issue of thirty thousand pounds in bills of credit, to be loaned upon the same terms as the former emissions, and to be redeemed by the annual payment of one-sixteenth part of the principal, as well as the accrued interest; and in 1731, on the expiration of the time originally limited, the previous issues were renewed by act of assembly, and *forty thousand pounds* in new bills were ordered to be struck, to be exchanged for bills emitted before August 10, 1728, which bills were after the *first of March, 1744* to be *irredeemable*.

Franklin¹ was instrumental in procuring this result: his pamphlet, entitled "A modest inquiry into the nature and necessity of a paper currency," set forth so strenuously the

¹ Sparks's *Life and Writings of Franklin*, ii, 253, et seq.

benefits which were to accrue to the province from a further addition to their currency, that the measure could not be gainsaid, and passed the legislature.

The friends of paper money, considering him to have been of great service, rewarded him with the *job* of printing the money: "a very profitable job, and a great help to me." This occupation remained to him both alone and, after 1748, in partnership with D. Hall, until 1764: the notes of that year being the last which bear his imprint.

The colony now had a seemingly sufficient currency for its needs of trade, and accordingly not until 1739 is there a record of other issues; in that year it was deemed advisable to call in all the bills then in circulation, and to replace them with others of a new impression.

A committee appointed by the assembly, on the state of the currency, reported that

In 1723 there were emitted	£45,000
of which in 1726 there were burnt	6,110 5s.
In 1729 there were emitted	30,000
and that the amount now in circulation was	68,889 15s.

This was not deemed sufficient for the trade and wants of the colony, and a further issue of £11,110-5s. was recommended. This amount making in all £80,000 was, accordingly, enacted into a law.

Accompanying this report was the following¹ table of the price of gold and silver from 1700 until that time:

¹This table was given incorrectly in the *first edition* of this work; having followed Hazard's *Register of Pennsylvania*, and Proud's *History of Pennsylvania*, both of which differ from the journals of the assembly from which the present table is taken.

	Gold per ounce.	Silver per ounce.
" 1700 to 1709,	£7 0 0	9s. 2d.
1709 " 1720,	5 10 0	6 10½
1720 " 1723,	5 10 0	7 5
1723 " 1726,	6 6 6	8 3
1726 " 1730,	6 3 9	8 1
1730 " 1738,	6 9 3	8 9

"And now in the present year 1739 gold is purchased and sold at £6 9s. 3d. per ounce, and silver at 8s. 6d. per ounce. Philadelphia, November 23, 1739."

Signed by Isaac Norris, Thomas Leech, Abraham Chapman, James Morris, John Hearsely, and Israel Pemberton.

The punishment for counterfeiting was now changed to *death*, and the former penalties were reserved for those who should alter the notes from lower denominations to higher ones.

During all this time, the notes, having ample provision made for their ultimate extinction,¹ circulated freely at their value, superseding the bills of other colonies, which had until then constituted the chief part of the currency. The only trouble which arose from this paper currency was due to the action of the proprietaries: they demanded and received in payment of their quit rents the difference of exchange on England, and an annuity of *one hundred and thirty pounds* per annum, during the currency of the notes. Their conduct gave rise to much animadversion, and sowed the seeds of future trouble between them and the province.

¹Of the old £68,889 15s., there have been destroyed, as appears from the various treasurers' reports, £66,966 12s.

No further legislation was now needed until 1744, when a sum of ten thousand pounds was emitted to replace old, torn or ragged notes; this did not add to the gross amount in circulation. The lords of trade in England had for some time been inquiring into the state of the paper money issued by the colonies, and in answer to them, in 1749, a report was prepared by a committee of the assembly for transmission to England. It stated that "in 1745 the currency of the £80,000 was continued for sixteen years. That in 1746 a further sum of £5,000 was emitted in bills of credit for the king's use, to go towards equipping the Canada expedition. That the amount, therefore, in circulation, £85,000, was not sufficient for the wants of the colony," and praying for a further issue of notes. This, however, could only be granted to a limited extent, and in October there were emitted *five thousand pounds* to exchange for old and torn notes, and to serve for change. They were therefore of small denominations, and we find by subsequent treasurers' reports, from year to year, that in 1759 the last bills of this emission were entirely destroyed.¹

These early notes possess an additional interest from the fact that the names of prominent Philadelphians are frequently to be found on them. It seems to have been considered an honor to be permitted to sign the bills, as petitions were frequently presented to the legislature from persons desirous of being appointed to such offices. The records of the Pennsylvania hospital show, that

¹Of these notes of 1746, the last were destroyed in 1757.

many of the signers liberally presented to it the compensation they had received for their services.

¹In 1753 began a struggle that lasted for several years between the assembly, the representative of the people and their wants, and the governor, the deputy of the proprietaries. The supposed general need of more circulating medium led during the session to the framing of several acts for emitting bills of credit; these the governor, holding himself strictly bound by the instructions of the lords of trade not to pass any such bills without a clause suspending their operation until the king's pleasure should be known, either refused to assent to, or else returned them with amendments, which the house considering as encroachments on their liberties refused to accept.

In February of the following year, the house adopted the following resolutions:

"1st. That it is necessary the paper money of this province should be reëmitted for a further time.

2d. That there is a necessity of a further addition to the paper money of this province.

3d. That there is a necessity that a sum should be struck to exchange the ragged and torn bills now current by law in this province."

Accordingly, several bills were successively prepared and passed by the assembly, but against which the same circumstances operated to prevent their becoming laws.

In August, at a special session of the assembly, in con-

¹ See appendix.

sequence of the danger from the border Indians being imminent, a bill for issuing £35,000, whereof £15,000 should go to the king's use for the protection of the frontier, was passed, but amendments being as usual thereunto added by the governor, it failed to receive the sanction of the house.

In March, 1755, a bill was passed, granting £30,000 to the king's use, to be emitted in bills of credit, for the support of Braddock's expedition; this the governor returned, with a message stating that the house, in defiance of him, *by its mere resolves* had put in circulation fifteen thousand pounds in bills of credit, payable to bearer, and although the house refuted this, by showing that they were merely bills drawn on the provincial treasurer¹ in payment of stores for the expedition, yet his assent was not given to its becoming a law.

On the 21st of June the assembly passed two bills, one creating ten thousand pounds for exchanging the old and torn bills then in circulation; the other for issuing fifteen thousand pounds in bills of credit, for the king's use.

In reply, the governor acknowledged the necessity in the colony of more bills of credit, but desiring to know how much of the former appropriation for exchanging the old and torn bills still remained in the hands of the trustees — stating that at the last settlement the sum was £3,302 6s. 8d. Being answered that the amount now remaining was £1,302 6s. 8d., he gave his sanction to the act for emitting the *ten thousand pounds*, but to the fifteen

¹ These bills appear, by subsequent treasurers' reports, to have been entirely destroyed.

thousand pounds act he added amendments, which, not being concurred in by the house, caused its total loss.

A new system of finance was in these bills inaugurated. Heretofore the notes issued had been loaned out at interest as so much money, and were payable in certain installments. Trade had prospered, imports had increased, the notes themselves were eagerly sought for in the other colonies; public improvements, stores, dwelling houses, &c., had been erected on these loans, the terms of which were much more favorable than could have been obtained from a private individual; and could this course have been for ever continued, loss by depreciation would never have resulted. But the exigencies of the colony no longer permitted this cautious procedure, that had so greatly benefited it.¹

Large sums were required for instant use, loans could not be had, and there were no means of obtaining the desired amounts, except by anticipating the revenues of the future and emitting bills of credit, to be redeemed by taxation within given periods. The taxation was the chief cause of the strife between the people and the governor, as the lands of the proprietaries were taxed in the same

¹ This cautious policy had been approved of in England, and Pennsylvania was exempted from the provisions of an act of parliament, passed in 1751, to restrain the northern colonies from issues of paper money.

Governor Pownell bestows high praise on this paper system: "I will venture to say," he declares, "that there never was a wiser nor better measure, never one better calculated to serve the interests of our increasing country; that there never was a measure more steadily pursued or more faithfully executed, for forty years together, than the loan office in Pennsylvania, founded and administered by the assembly of that province."

manner as the rest of the province; to this they objected, and in their instructions to their deputy, forbade him to permit to be enacted any law which should contain any such clause. The people believing that with themselves alone resided the right of taxation, and seeing no reason why the proprietaries should be exempt from the burdens which enured as much to their benefit as to that of the inhabitants, strenuously, and in the end, successfully resisted this, deemed by them, attempted usurpation of their powers.

As their wants became known, the legislature hesitated less and less to grant the desired relief. Paper money was voted from time to time to be issued, for various occasions, and to the acts creating it, the governor, after unavailing efforts, but wearied with the long contest, was obliged to give his assent.

After the defeat of General Braddock, the alarm felt in the province caused *sixty thousand pounds* to be voted for the king's use, whereof fifty-five thousand pounds were to be emitted in bills of credit, bearing date January 1, 1756, and to be redeemed by taxation.¹ In August, after the usual contention, thirty thousand pounds were issued to be current for ten years.

The public exigencies and the alarming situation of the colony caused the approval of these laws, although all the objectionable features were still retained.

In 1757, 1758 and 1759, three hundred thousand pounds

¹Colonel Bouquet writes to thank Dr. Franklin for his services in procuring the passage of this act.—*Sparks's Life and Writings of Franklin*, vii., 263.

in paper money were scattered into circulation. In June of the last year, a further issue of £36,650 was ordered to reimburse the military agent of the colonies at Philadelphia.

To the passage of this act the governor and council objected, not thinking it necessary. There were then in circulation bills of credit to the amount of *three hundred and eighty-five thousand pounds*.

The act, however, was passed, regardless of their dissenting voices. When, however, it came to be presented to the king in June, 1760, for his approval, it was declared to be null and void. The law of April, 1759, would have shared the same fate had not Benjamin Franklin and Robert Charles, who were at that time in London, acting as the agents for the province, engaged that the legislature should expunge the objectionable features, and alter the law to a proper nature.

The bills authorized by the legislature in 1759, were actually issued before the repeal of the law had become known. When the action of the king and council had been communicated to the assembly, the notes were recalled, and from the treasurer's annual reports we find that authorized redemption has taken place to the amount of £35,795.

Between 1760 and 1769, bills of credit to the amount of £175,000 were authorized, and during the same period the paper currency to the amount of £200,000 was destroyed. The attention of parliament was again called to the subject of the currency of the colonies. In 1764, they passed an act which prevented any bills of credit

hereafter emanating in the colonies from being declared to be a legal tender. It was hoped by this means to check the ruinous flux of paper which was believed by the uncertainty of its value to be injuring the British merchants who traded to America. Franklin argued strenuously against these and similar views. The enlightenment of posterity has cleared away all doubt as to the relative values and uses of paper money and coin.

The merchants of Philadelphia several times took in charge the matter of the currency. The most notable thing they did was, in 1742, to appraise the value of the dollar at *seven shillings and sixpence*, at which it finally rested.

The following advertisement, taken from the *Pennsylvania Gazette*, dated Sept. 16, 1742, is curious and worthy of preservation, inasmuch as giving the *exact time* when the change of the dollar took place.

Pennsylvania Gazette, September 16, 1742.

“Whereas, gold and silver, since the emission of paper money, has not been current among us at any fixed or certain rate: which has been of great disadvantage to the trade and commerce of this province; for remedying this evil for the future, we, whose names are hereunto subscribed, from and after the date hereof, give public notice, and do severally oblige ourselves and promise that we will receive in all payment,

English guineas, at 34s.

French guineas at 33s. 6d.

The large Portugal pieces at £5 15s., and so in proper proportion for all lesser Portugal gold coins.

Dutch or Guinea ducats at 14s.

The German pieces called *Carolines*, at 34s.

Arabian chequins, at 13s. 6d.

All milled French pistoles, at 26s. 6d.

All Spanish pistoles weighing not under 4 *dwt.* 6 *gr.*
at 27s.

And all sort of gold coins of whatsoever denomination, not before mentioned, after the rate of £6
5s. per oz.

French silver crowns and Spanish milled pieces of eight at *seven shillings and sixpence*, and all good coined Spanish silver at eight shillings and sixpence per oz. And we do further promise and declare that we will not directly or indirectly allow any more for gold and silver than at the rates herein mentioned, nor will we ask, demand, or receive any more from any persons whatsoever for any sums we pay, receive or exchange of the above specified gold and silver coins. And we consent to have this agreement to be in force for *three years* from the date hereof, and to be published in the *newspapers*.

In testimony of our willingness to comply and agree to the above engagement, we have hereunto subscribed our hands this first day of September, 1742.

Signed by 75 persons.

(Clement Plumstead, one of signers, excepts the *Carolines*).

In 1766 an effort was made to supply an alleged deficiency of the circulating medium, by emission of promissory notes by an association of merchants of the city of Philadelphia. These notes were to the amount of

£20,000, of the denomination of £5 each, with 5 per cent interest, payable on demand; and although they were declared by the attorney general of England not to contravene the laws, yet, in consequence of remonstrances being presented to the assembly, this early attempt at banking proved abortive.

The colony itself in 1769 authorized two issues of thirty thousand pounds. The first creation of paper money of that year (bearing date March 1st, amounting to £16,000), whereof £15,522 16s. have been redeemed, was extensively counterfeited. In 1773, Governor Richard Penn was forced to issue a proclamation offering a reward of £500 for the detection of the offenders. The notes were called in, and have been almost entirely destroyed.

The second issue was for the aid of the managers of the Bettering house, Philadelphia, and is expressed on its face to be emitted by the "treasurer of the contributors for the relief of the poor."¹

In March, 1771, in consequence of the alarm felt by the colonies, from the hostile attitude of the French, an issue of £15,000 was ordered for the defence of Philadelphia: never having been actually called into use for that purpose, the surplus was applied towards paving and grading the streets of the city.²

The temptation to overcome instant wants by means of large sums payable in the future, still hovered around the legislature, and in the following year (1772), *twenty*

¹Of this issue there have been destroyed £8,207 0s. 8d.

²Of this issue there have been destroyed £9,924 10s.

five thousand pounds were emitted for the support of the government.¹

In 1773 two creations of paper money took place; the first amounting to £12,000, and bearing date the twentieth day of March, was for the support of the light house at Cape Henlopen, and for the purpose of placing buoys, &c., in the Delaware river and bay; these notes bear on the reverse the representation of a light house with ships, buoys &c., and on the face around the sides are printed the words "Light House, Pier, and Buoys." Another issue, in amount £6000, and bearing the same devices, was made in the early part of the year 1775.

The second issue of this year (1773), bears date the first day of October; it amounted to *one hundred and fifty thousand pounds*, and is only remarkable on account of the attempted resuscitation of the loan office system. But the times had changed, and the device was no longer fortunate. Many of the signers and trustees refused or neglected to act, and although several supplements were passed to render the scheme a more harmonious one, and to smooth away the difficulties which had been encountered, yet the outbreak of the war of Independence found the loan office in confusion, and its operations no longer practicable.

The next noticeable issue bears date April 10, 1775, was for the purpose of erecting a jail in Philadelphia; it bears on its reverse a representation of that building, which was the edifice long known as the Walnut Street Prison, and which was the scene of the barbarities practised by the

¹Of this issue there have been destroyed £8,446 0s. 2d.

infamous Cunningham, upon the captured Americans, while the city was held by the British: it was also at a later period the spot where was incarcerated Robert Morris, when the failure of his gigantic schemes had exhausted his fortune and his credit. These notes are commonly, but incorrectly, believed to represent the Independence Hall.

The early notes of the colony seem to have kept their credit well, and had not the revolution intervened, they would all have been redeemed at par, as ample funds were always provided by taxation or excise duty, in the same act that issued the bills, for their gradual but certain extinction; and in the annual reports presented by the treasurer of the colony to the assembly, mention is always made of bills of credit brought in and destroyed.

But the battle of Lexington aroused the colony. On the 30th of June, 1775, a provisional government was appointed by the assembly, called a *committee of safety*, to look to the defence and arming of the colony; and to carry into effect the objects of their appointment, the assembly resolved to emit the sum of £35,000 in bills of credit, to bear date July 20th, 1775. The mere issuing of these bills was an act of rebellion, as they were emitted by the mere *resolve* of the assembly in defiance of their charter, and without reference to the governor; and yet these notes, and those issued by resolution of Nov. 18th, same year, (bearing date Dec. 8,) and of April 8, 1776, (date April 25,) still hold in its accustomed place the name of "*His Majesty, King George the Third.*"

Long afterwards these bills were known and spoken of

in acts of assembly as "*the resolve. money,*" taking the name from the circumstances of their issue.

In March, 1777, it was resolved to emit £200,000 for the support of the army, and here the authority of "the commonwealth of Pennsylvania," appears for the first time.¹ Various laws had been passed from time to time to call in the bills emitted during the dominion of Great Britain, and in 1778, congress requested the states to end the currency of notes issued prior to the 19th of April, 1775, as they had fallen into the hands of persons unfriendly to the new government who held them, and made a discrimination in their favor, believing that they would ultimately be redeemed, whether the subsequent ones were or not; by this means causing the notes issued by the authority of congress and of the several states to depreciate in value. Accordingly on the 23d of March, 1778, the legislature passed an act declaring such notes no longer to be a legal tender after the first of June, but that until that time they might be received at the treasury in payment of taxes, in exchange for later notes, &c. In the case of nonresidents, the time for presenting them was extended to the first day of August; and by a subsequent act, the issue of September 30th, (date Oct. 25th,) 1775, of £22,000 for the support of the government, was included within its provisions.

Previously to this, Pennsylvania had by law, in January, 1777, declared the notes issued by congress to be a legal tender, and had imposed heavy penalties on those who

¹ These notes seem to be of two varieties; one being printed in red ink, the other in black.

should refuse to receive them at their nominal value, and on those who should counterfeit or alter them.

In March, 1780, the state emitted £100,000 for the support of the army; and to provide a fund for their redemption, the executive was empowered to sell certain properties in the city of Philadelphia, as well as Province island¹ in the township of Kingsessing: so well have these provisions been carried into effect that none of the notes are believed to be now in existence and unredeemed. The act under which these bills were issued furnished another example to show how the most consummate tyranny is often exercised by even the most zealous devotees of liberty: not content with making the notes a legal tender, with declaring a refusal to take them an acquittance of the debt, the legislature, in the following December, passed a supplementary act whereby they inflicted upon the first offence, a fine in value of double the sum offered; and upon the second, imprisonment to last during the war, together with confiscation of one-half of the offender's lands, goods and chattels.

About the same time congress passed a resolution calling on the states to contribute in certain proportions towards the support of the government, and for that purpose they were to emit notes of a certain fixed form, the same for all the states, redeemable in six years, and bearing interest, of which, as well as of the principal, the payment was guarantied by the United States, who "would draw bills of exchange therefor when thereunto requested." Accordingly in June, Pennsylvania emitted \$1,250,000 in

¹ These bills became known as the '*Island money*' from that circumstance.

notes, that long after bore the name of *the dollar money*. In May, an act had been passed to receive the old continental money, at one dollar in specie for forty in notes, and this emission was to be issued as specie on that basis.

In October a scale of depreciation was adopted, and certificates of pay due to the Pennsylvania Line founded thereon, were issued, receivable in payment for the public lands, and the depreciation was ordered to be ascertained and published every month in the Philadelphia Gazettes. In April, 1781, the following scale of the depreciation of paper compared with silver and gold was adopted by the legislature:

	1777.	1778.	1779.	1780.	1781.
January,.....	1½	4	8	40½	75
February,.....	1½	5	10	47½	75
March,.....	2	5	10½	61½	
April,.....	2½	6	17	61½	
May,.....	2½	5	24	59	
June,.....	2½	4	20	61½	
July,.....	3	4	19	64½	
August,.....	3	5	20	70	
September,.....	3	5	24	72	
October,.....	3	5	30	73	
November,.....	3	6	38½	74	
December,.....	4	6	41½	75	

And at the same time *five hundred thousand pounds* were ordered to be emitted for the support of the army, of which £200,000 were to replace the issue of 1777, and the old currency at the depreciated value according to the scale. Ample funds were pledged to the redemption of this issue, and according to the report of the state treasurer in 1805,

there remained outstanding and unredeemed only £4,140 3s. 7d. By this act, (1781), the dollar was now legally rated at seven shillings and sixpence.

In June the old continental bills and the "resolve money" were declared to be no longer a legal tender, and could be received only at the treasury and at their current value. Acts were passed from time to time to facilitate the calling in the bills of credit, and to increase the objects for which they could be received in payments at the treasury.

In 1783, a small amount was issued in treasury notes, of which an entire redemption has taken place. No further creation of paper money was made until March, 1785, when, after a long discussion, and the rise, as in other States, about the same time, of a *paper money party*, the apparent need of an increased currency led to the establishment of a loan office of *one hundred and fifty thousand* pounds, upon the conditions of the former times. Funds sufficient were set apart for the redemption of the bills, and twenty thousand pounds were directed to be annually called in and destroyed. But the people, even those who had been the most clamorous for such issues, could not place full confidence in the new notes. The most solemn pledges not long before made and broken, were too fresh within their recollections for entire faith at once to be given to the promises of their government. Depreciation ensued, and so rapidly, that although the merchants and prominent citizens of the state by means of their own examples and of associations formed for that purpose, endeavored to prop their sinking credit, yet the legislature was obliged to

recall the notes within a time much closer to their original creation than had been the first intention. Petitions constantly were showered upon the assembly from the people, complaining that these bills had ceased to circulate as a currency, and were only used in payment of state taxes; as, at different places they could be obtained at different values, great complaint arose, and with justice, that the taxes were not equally distributed among the people.

The withdrawal of these notes was expedited by the issue of certificates of state loan, in exchange for them and the old Continental loan office certificates, which was the beginning of the present fiscal history of the state. Of this issue the report of the state treasurer, in 1805, states that the whole amount has been redeemed except the sum of £2,792 8s. 1d.

By the act of December the 4th, 1789, the "resolve money" and the issue of 1777 were no longer to be received at the treasury after the 1st of January, 1791, thus entirely destroying their vitality.

From time to time acts were passed to facilitate the redemption of the issues of 1781, of 1785, and of "the dollar money," the final disposition of the subject being made by a law passed on the fourth day of April, 1805, which recited that, "as now sufficient time had been allowed for the redemption of the bills of credit of this commonwealth, that all such bills outstanding and not paid into the treasury before the second Tuesday in January, 1806, *should be forever irredeemable.*"

This is believed to be the last legislation in the state upon this subject.

Within a short compass Pennsylvania presents a complete specimen of the paper currency of the colonies. Reducible to three varieties, she furnishes them all within her history.

Bills of credit in the colonies were issued either on loan, or to furnish support for the ordinary operations of the government, or to meet some sudden emergency. No great fluctuations in value are recorded in this province, the utmost limit of depreciation in colonial times being recorded as happening in 1748, when the value of exchange on England was 180.

Franklin speaks of the value of the coin changing by agreements among the merchants as to the relative rates at which it was to be taken, and mentions the dollar as fluctuating from that cause, but expressly says this was before the introduction of *paper money*. At the time of the first issue of paper money, the dollar, as has been shown, was settled at five shillings, although the proclamation of 6th Queen Anne had rated it at four shillings and sixpence. These dollars were what were called the lion or dog dollars, and were frequently mentioned in the legislation of the other colonies. Some persons, holders of the notes, cherishing the fond hope that the state would ultimately redeem her obligations at the value expressed on their face, neglected or refused to present them at the treasury before the expiration of the time limited for their redemption at the depreciated rates fixed by law; it is principally to this circumstance that the present generation is indebted for the many specimens of the financiering schemes of former days.

APPENDIX.

A.

A Catalogue of the Issues of Pennsylvania Bills of Credit, comprising their Amounts, Denominations, and the Names of the Persons appointed to sign them, from 1723 to 1785.

1723.

March 23, £15,000.

6,000 notes, each of 20s., 10s., 5s., 2s.

4,000 do 15s., 2s. & 6d.

8,000 do 1s.

To be signed by any three of Charles Read, Benjamin Vining, Francis Rawle, Anthony ✕ Morris.

December 12, £30,000.

18,000 notes, each of 20s.

8,000 do 15s.

5,000 do 10s.

6,000 do 5s., 2s. & 6d., 2s.

4,000 do 1s. & 6d.

7,000 do 1s.

To be signed by any three of Francis Rawle, Charles Read, Anthony Morris, and Samuel Hudson.

1726.

March 5, £10,000.

5,000 notes, each of 10s.

20,000 do 5s.

8,000	notes, each of	2s. 6d.
3,000	do	2s.
10,000	do	1s. 6d.
9,000	do	1s.

To be signed by Evan Owen, John Wright, Thomas Tresse.

1729.

May 10, (date of note, September 15,) £30,000.

15,000	notes, each of	20s.
2,000	do	15s.
12,000	do	10s., 2s.
16,000	do	5s.
4,000	do	2s. 6d.
17,000	do	1s. 6d.
10,500	do	1s.

To be signed by any three of Thomas Tresse, Edward Horner, John Parry, and Abraham Chapman.

1731.

February 6, to reëmit and continue the original £45,000, and to strike £40,000 thereof in new bills.

4,000	notes, each of	1s., 1s. 6d.
5,000	do	2s.
8,000	do	2s. 6d., 15s.
12,000	do	5s.
10,000	do	10s.
24,000	do	20s.

To be signed by any three of Job Goodson, John Parry, Joseph Kirkbride, and Thomas Griffiths.

1739.

May 1st, (date of note, August 10,) £80,000.

10,000 notes, each of 1s., 1s. 6d., 2s., 2s. 6d.

30,000 do 5s.

40,000 do 10s.

20,000 do 15s.

34,000 do 20s.

To be signed by any three of Thomas Leech, William Monnington, Abraham Chapman, Joseph Harvey, and Samuel Smith.

1744.

May 26, £10,000.

20,000 notes, each of 1s., 1s. 6d., 2s., 2s. 6d.

12,000 do 5s.

To be signed by James Morris, Abraham Chapman, and Peter Lloyd.

1746.

June 24, £5,000.

30,000 notes, each of 4d., 6d., 9d.

2,625 do 20s.

All below 20s. to be signed by two, and the 20s. to be signed by three of James Morris, John Hall, Joseph Harvey, and James Mitchell.

1749.

Februry 4, £5,000.

60,000 notes, each of 3d., 4d.

60,001 do 6d.

46,666 do 9d.

To be signed by one of John Jervis, William Trotter, Joseph Hamton, John Davis, and James Webb.

1755.

June 28, (date of note, October 1,) £10,000.

6,000 notes, each of 10s.

10,000 do 5s., 2s. 6d., 2s., 1s. 6d., 1s., 9d., 6d.

11,250 do 4d.

15,000 do 3d.

Bills of 1s. and upwards to be signed by three, and below 1s. to be signed by one of Evan Morgan, Joseph Fox, James Pemberton, Hugh Roberts, John Reynell, Joseph Wharton, John Smith, Isaac Greenleaf, Isaac Jones, Thomas Crosby, Daniel Williams, Charles Jones, Samuel Hazard, Samuel Roads, Joseph Morris, Samuel Sansom, Edward Pennington, Thomas Clifford, William Grant, Thomas Say, Joseph Saunders, Joseph King, Owen Jones, Jonathan Evans, William Logan, and Samuel Burge.

1756.

January 1, £55,000.

15,000 notes, each of 20s.

20,000 do 15s., 10s., 5s., 1s.

30,000 do 2s. 6d., 2s., 1s. 6d.

To be signed by any three of Evan Morgan, John Baynton, Thomas Crosby, Thomas Wharton, Joseph Marriott, Daniel Roberdeau, Atwood Shute, Samuel Neave, Charles Steadman, Jonathan Evans, Edmund Kearney, John Taylor, William Grant, Amos Strettell, Samuel Morris, Jacob Duche, Thomas Gordon, Charles Meredith, Redmond Conyngham, Daniel Benezet, William Fisher, George Okill, Abel James, Joseph King, William Vanderspiegel, Joseph Redman, William Shippen, William

Griffitts, Enoch Flower, Henry Harrison, Charles Jones, Isaac Pascall, Thomas Davis, and Jacob Lewis.

1756.

September 21, (date of note, Oct. 1,) £30,000.

12,000 notes, each of 5s., 10s., 15s., 20s.

To be signed by any three of William Grant, Joseph Richardson, James Benezet, Samuel Wharton, Daniel Rundle, Joseph Wharton Jr., Peter Chevalier, William Hopkins, Stephen Wooley, Joshua Howell, Joseph Galloway, George Bryan, Charles Thompson, Isaac Pascall, Charles Jones, John Sayre, Francis Rawle, Thomas Wharton, Joseph Saunders, Peter Reeve, Joseph Morris, Samuel Smith, John Rhea, Thomas Smith, Jacob Cooper, William Fisher, Joseph Redman, and Luke Morris.

1757. March 10, £45,000.

18,000 notes, each of 20s., 15s., 10s., 5s.

To be signed by any three of Henry Harrison, Peter Reeve, Joseph Morris, William Morris Jr., Buckridge Sims, James Child, Stephen Carmick, Thomas Clifford, Thomas Bourne, John Swift, John Rhea, John Ord, Edward Duffield, Matthew Clarkson, Thomas Say, Thomas Carpenter, Thomas Moore, James Wharton, John Hughes, John Lynn, Plunket Fleeson, Samuel Howell, George Emlen, and Joseph Hillborn.

June 17, (date of note, July 1,) £55,000.

22,000 notes, each of 20s., 15s., 10s., 5s.

To be signed by three of—Joseph Morris, Charles Thomson, Henry Harrison, Charles Meredith, John Ord, Thomas Clifford, Joseph Richardson, Thomas Wharton, Edward Pennington, Charles Jones, Joseph Redman,

Thomas Davis, Richard Wistar, Thomas Gordon, Joseph Hillborn, William Morris, Jr., Francis Rawle, Samuel Burge, Evan Morgan, William Fisher, Thomas Say, John Lynn, James Humphreys, Joseph Stretch, and Plunket Fleeson.

1758.

April 22, (date of note, May 20,) £100,000.

38,000 notes, each of 20s., 15s., 10s., 5s.

14,285 do 2s. 6d., 2s., 1s., 6d.

14,290 do 1s.

To be signed by three of—Peter Reeve, Henry Harrison, James Wharton, William Fisher, William Hopkins, George Bryan, Charles Jones, Joseph Wharton Jr., Joseph Saunders, Joseph Morris, Samuel Morris, Charles Thomson, Joseph Stretch, Joseph Marriott, Thomas Moore, Thomas Carpenter, Evan Morgan, Luke Morris, Thomas Clifford, Peter Chevalier, Daniel Williams, James Benezet, Daniel Rundle, Thomas Gordon, Stephen Wooly, James Humphreys, Matthew Clarkson, John Ord, James Child, Samuel Wharton, John Hughes, Thomas Yorke, and Charles Humphreys.

1759.

April 17, (date of note, April 25,) £100,000.

10,000 notes, each of £5, £2 10s., 20s., 15s., 10s., 5s.

To be signed by any three of Peter Reeve, Henry Harrison, Joseph Saunders, Joseph Morris, Charles Thomson, Joseph Stretch, Evan Morgan, Thomas Clifford, Daniel Williams, Thomas Gordon, John Ord, Thomas Tilbury, Robert Bully, Richard Pearne, Joseph Marriott, Peter

Chevalier, James Wharton, Charles Jones, Samuel Morris, Luke Morris, James Child, and James Humphreys.
June 21, £36,650.

4,886 notes, each of £5, 50s.

Signed by Charles Thompson, Luke Morris, Samuel Rhodes.

In the Record Book of the Laws there are given no particulars relative to this act, which was repealed in June, 1760; the notes are believed to have been *issued* before the repeal was known.

1760.

April 12, (date of note, May 1,) £100,000.

£5, 50s., 15s., 10s., 5s., known to exist.

In the Record Book of the Laws no particulars of this act are given.

1764.

May 30, (date of note, June 18,) £55,000.

3d., 4d., 6d., 9d., 1s., 1s. 6d., 2s., 2s. 6d., 5s., 10s.,
15s., 20s., known to exist.

In the Record book of the Laws the particulars of this act are not given.

1767.

May 20, (date of note, June 15,) £20,000.

2,000 notes, each of £6.

1,000 do. £4.

2,000 do 40s.

To be signed by any three of Joseph Richardson, John Reynall, Israel Pemberton, Isaac Jones, Daniel Roberdeau, John Gibson, John Nixon, Thomas Wharton, Isaac Greenleafe.

1769.

February 18, (date of note, March 1,) £16,000.

3,000 notes, each of £3.

4,000 do 30s.

1,000 do 12s.

1,000 do 8s.

Same signers

as the last issue.¹

1769.

February 18, (date of note, March 10,) £14,000. "*Relief of the Poor.*"

1000 notes, each of 20s., 15s.,

2,000 do 10s.

5,000 do 5s.

12,000 do 2s. 6d.

20,000 do 2s.

30,000 do 1s. 6d., 1s., 9d., 6d., 4d., 3d.

Bills under 1s. to be signed by one of and over, by three of Joseph Fox, Samuel Rhodes, Luke Morris, Jacob Lewis, Thomas Say, Samuel Burge, Abel James, Stephen Collins, James Penrose, John Parrock, Joseph Wharton Jr., and Charles Thompson.

1771.

March 9, (date of note, March 20,) £15,000.

6,000 notes, each of 20s., 15s., 10s., 5s.

To be signed by any three of Joseph Morris, William Fisher, Joshua Howell, Luke Morris, Daniel Roberdeau, Isaac Cox, Jacob Shoemaker Jr., Francis Hopkinson,

¹In the first edition, through the inexperience of the person who searched the Records at Harrisburg, wrong signers were given, which error is here corrected.

Stephen Collins, Joel Evans, Robert Strettell Jones, and Thomas Mifflin.

1772.

March 21, (date of note, April 3,) £25,000.

5,000 notes of 40s. each.

33,962	do	2s. 6d., 2s., 1s. 6d., 1s.
		9d., 6d., 3d., each.

33,963	do	4d.	"
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Bills under 1s. to be signed by one, of 1s. and over to be signed by three, of John Morton, Charles Humphreys, John Sellers, Isaac Cox, Joseph Sims, Thomas Clifford, Thomas Coombe, Thomas Fisher, Samuel Pleasants, Joseph Dean, Joseph Swift, Cadwallader Morris, Clement Biddle, Joel Evans, Anthony Morris Jr., Samuel Howell Jr., Adam Hubley, John Mifflin, Joseph Pemberton, Samuel Hudson, James Wharton, Jeremiah Warder Jr., Benjamin Wynkoop, and Samuel Coates.

1773.

February 26, (date of note, March 20,) £1²~~1~~,000, "*Lighthouse,*" &c.

6,000 bills, each of 4s., 6s., 14s., 16s.

To be signed by three of Jacob Winey, Charles Jervis, Benjamin Shoemaker, Henry Keppele Jr., Frederick Kuhl, and John Steinmetz.

February 26, (date of note, October 1,) £150,000.

28,300 notes, each of 50s., 20s., 15s., 10s.

28,318	do	5s., 2s. 6d., 1s. 6d.
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28,319	do	2s.
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To be signed by any three of Stephen Carmick, Charles Meredith, George Emlen Jr., Alexander Todd, Joseph

Pemberton, Samuel Miles, Owen Jones Jr., Joseph Mifflin, Benjamin Morgan, Barnaby Barnes, William Fisher Jr., William Wistar, Abraham Usher, Reynold Keen, John Field, Jacob Harman, Mordecai Lewis, Isaac Wharton, William Wishart, Richard Willing, Benjamin Marshall, Samuel Fisher, James Hartley, and Joseph Allen.

Supplement December 13, 1774, appoints the following additional signers:—James Stephens, Thomas Leech, Benedict Dorsey, William Crispin, John Lownes, and Robert Tuckniss.

1775.

March 18, (date of note, March 25,) £6,000, "*Lighthouse*," &c.

3,000 notes, each of 4s., 6s., 14s., 16s.

To be signed by three of James Wharton, Richard Vaux, Ezekiel Edwards, William Wishart, Charles Wharton, and Samuel Coates.

March 18, (date of note, April 10,) £25,000, "*Prison*."

3,333 notes, each of £15

3,334 do 50s.

To be signed by Lindsay Coates, Job Bacon, and Edward Roberts.

Resolution, June 30, (date of note, July 20,) £25,000.

7,000 notes, each of 10s., 20s., 30s., 40s.

To be signed by three of Sharp Delany, Lambert Cadwallader, Isaac Howell, James Mease, John Benezet, Samuel Cadwallader Morris, Adam Hubley, Thomas Prior, Godfrey Twells, John Mease, John Purviance, and William Allen Jr.

September, 30, (date of note, October 25,) £22,000.

6,000	notes, each of	20s., 15s., 10s., 5s.
15,849	do	2s. 6d., 2s., 1s. 6d., 1s., 9d., 4d., 3d.
15,850	do	6d.

Bills under 1s. to be signed by one, of 1s. and over by three, of Francis Johnston, Thomas Shoemaker, Charles Jervis, Thomas Tilbury, Philip Kinsey, John Knowles, Isaac Howell, Abel Evans, and Richard Humphreys.

Resolution, November 18, (date of note, December 8,) £80,000.

16,000 notes, each of 10s., 20s., 30s., 40s.

To be signed by three of Matthew Clarkson, William Crispin, William Smith, Thomas Leech, Joseph Redman, William Kenly, Josiah Hewes, Andrew Tybout, George Douglass, Charles Moore, Abel Evans, Thomas Moore, Peter Thomson, Samuel Cadwallader Morris, Cornelius Barnes, Sketchly Morton, Elisha Price, and Nicholas Fairlamb.

1776.

Resolution, April 6, (date of note, April 25,) £85,000,

54,545	notes, each of	3d., 9d.
54,546	do	4d., 6d.
28,572	do	1s., 2s.
28,571	do	1s. 6d., 2s. 6d.
14,000	do	10s., 20s., 30s., 40s.

Bills of 3d., 4d., 6d., 9d., to be signed by one, of 1s., 1s. 6d., 2s., 2s. 6d., by two, the others by three of William Smith, Benjamin Betterton, Joseph Redman, William Clifton, Sketchly Morton, Josiah Hewes, William Crispin, Andrew Tybout, George Douglass, William Kenly,

Charles Moore, Thomas Moore, Abel Evans, Peter Thomson, Elisha Price, Hugh Lloyd, and Samuel C. Morris,
1777.

March 20, (date of note, April 10,) £200,000.

150,000 notes, each of 3*d.*, 4*d.*, 6*d.*, 9*d.*

80,000 do 1*s.*, 1*s.* 6*d.*, 2*s.*, 3*s.*, 4*s.*, 6*s.*,
8*s.*, 12*s.*, 16*s.*, 20*s.*

12,670 do 40*s.*

12,665 do 80*s.*

Every bill under 4*s.* to be signed by *one*, above 4*s.* by *two*, of Benjamin Betterton, John Young Jr. William Thorne, Andrew Hodge, William Kinley, Isaac Howell, Caleb Davis, Joseph Gardner, James Cannon, Whitehead Humphreys, Benjamin Jacobs, William Evans, Levi Budd, Isaac Snowden, John Brown, William Will, Philip Alberti, Henry Luithausen, Samuel Smith, Frederick Antis, Robert Loller, James Davidson, Joseph Parker, and Michael Shubart.

1780.

March 25, (dated April,) £100,000. To purchase provisions for the army.

8,696 notes, each of 60*s.*, 50*s.*, 30*s.*, 20*s.*, 15*s.*, 10*s.*, 5*s.*

8,694 do 40*s.*

To be signed by *two* of Daniel Wistar, Levi Budd, Philip Bøehm, Robert Cather, Jedediah Snowden, William Laurence Blair, Charles Lewis Treichel, John Miller, Joseph Watkins, John Knox, Nathan Jones, and William Thorne.

June 1, (according to Resolution of Congress, March 18,)

\$1,250,000. \$1, \$2, \$3, \$4, \$5, \$7, \$8, \$20.

To be signed by *two* of Michael Shubart, Daniel Wistar, Levi Budd, Philip Bœhm, Robert Cather, Jedediah Snowden, William Laurence Blair, John Miller, John Knox, and Nathan Jones.

Congress appointed to sign for the United States any one of Thomas Smith and Richard Bache.

1781.

April 7, (date of note, April 20,) £500,000.

29,077 notes, each of £5, £3, £2 10s., £2, £1 10s., £1.

29,076 do 15s., 10s.,

40,000 do 5s., 2s. 6d., 2s.

20,000 do 1s. 6d., 1s.

80,000 do 9d., 6d., 3d.

Below 10s. to be signed by *one*, of 10s. or over, by *two* of Cadwallader Morris, Samuel Meredith, James Budden, Joseph Wharton, Joseph Bullock, Samuel Caldwell, Michael Shubart, David H. Cunningham, Jacob Barge, Philip Bœhm, John Purviance, Joseph Dean, John Miller, Jonathan Mifflin, Isaac Howell, Richard Bache, John Baynton, Tench Francis, David Shaffer Sr., Thomas Prior, Robert Knox, John Mease, Jacob S. Howell, and John Patton.

By an act passed January 31, 1783, the following amounts were directed *not* to be completed:

20,000 notes, each of 5s., 2s. 6d., 2s., 1s.

40,000 do 9d., 6d., 3d.

Amounting to £13,500.

1783.

March 21, \$300,000.

Treasury notes, of \$ $\frac{1}{4}$, 1, 2, 3, 6, 12, 15, 20.

1785.

March 16, (date of note, March 16,) £150,000.

54,546 notes, each of 3*d.*, 9*d.*, 1*s.* 6*d.*, 2*s.* 6*d.*, 5*s.*, 15*s.*54,545 do 10*s.*, 20*s.*

Bills of 10*s.* and over to be signed by *three*, all the others by *two*, except the 9*d.* and 3*d.* by *one*, of John Chaloner, William Turnbull, George Latimer, Reynold Keen, Andrew Tybout, Edward Fox, James Collins, Peter Baynton, William Smith, (druggist), Samuel Murdoch, James Bayard, Joseph Redman, Robert Smith (merchant), John Rhea, William Gray (brewer), William Tilton, Francis Wade, Thomas Irwin, Charles Risk, Andrew Pettit, James McCrea, John Taylor, Samuel Caldwell, Stacy Hepburn, and John Duffield.

A supplement of September 10th appointed the following additional signers ;

Levi Budd, George Leib, John Baker, William Wertz, Francis Mentges, Joseph Kerr, John Miller, James Glentworth, John Steel, George Goodwin, Joseph Marsh, Henry Kammerer, Michael Shubart, and Robert Bridges.

B.

The devices on the notes seem to be as follows: from the earliest issue down to 1764 the most prominent device on them is the arms of the Penn family; in that year appear those of Great Britain.

1769. Both issues bear Penn's arms.

1771. " " "

1773. " " "

1775. April 10. Both issues bear Penn's arms.
 " March. " "
 " July. Great Britain.
 " October. Penn's arms.
 " December. Great Britain.
 1776. April. 3d., 4d., 6d., 9d., those of Penn's family;
 the rest of the issue those of Great Britain.
 1777. Et sequent, commonwealth of Pennsylvania.

C. p. 10.

Additional Instructions from the Proprietaries to Govr. Hamilton about Emissions of Paper Money, May 30, 1752.¹

Thomas Penn and Richard Penn true and absolute Proprietarys and Governors in chief of the Province of Pennsylvania and Countys of Newcastle Kent and Sussex on Delaware.

To James Hamilton Esquire Lieutenant Governor of the said Province and Countys.

Additional Instruction for his Government and conduct therein.

Whereas one of our former written instructions given to you the said James Hamilton under our hands and seals at Arms and bearing date the seventeenth day of March in the year one thousand seven hundred and forty seven did run in the words or to the effect following that is to say "WHEREAS the making emitting or continuing too large a quantity of Paper Money or Bills of credit within the said Province and countys may greatly affect the

¹ The original manuscript is in the possession of the Historical Society of Pennsylvania.

exchange and the trade of the said Province and will particularly most affect the rents and quit rents which now are and hereafter shall become due to the Proprietors You SHALL NOT therefore on any pretence whatsoever pass or give your assent to any Law or Act of assembly within the said Province or within the said Countys either for re-emitting or continuing any paper currency or Bills of credit whatsoever UNLESS there be inserted in each and every such law or Act one or more enacting clauses to provide effectually that the Quit Rents and other rents due and to be due to the proprietors shall be paid according from time to time according to the true and real rate of exchange between the Citys of Philadelphia and London at the times of such payment AND YOU SHALL NOT on any pretence pass or give your assent to any Law or Act of assembly within the said Countys for enlarging or encreasing the present amount or quantity of Paper currency nor Bills of credit NOR SHALL YOU within the said Province on any pretence pass or give your assent to any law or Act of assembly for enlarging or encreasing the amount or quantity of Paper currency or Bills of credit there beyond the quantity established by an Act of Assembly passed in the twelfth year of his present majesty's reign and intituled "An act for reprinting exchanging and re-emitting all the Bills of credit of this Province and for striking the further sum of Eleven thousand one hundred and ten pounds five shillings to be emitted upon Loan" UNLESS there be incerted an enacting clause in every such law or act of assembly to be passed in the said Province to suspend the force and effect of the same untill the

Royal approbation and allowance shall be obtained thereto."

AND WHEREAS we have judged it and do judge it expedient to vary the said former instructions (herein before recited) in some particular parts thereof so that the same may from the time you shall receive this additional instruction run and be observed in the following manner; THEREFORE YOU SHALL NOT at any time or times after the receipt of this our additional instruction upon any occasion or pretence whatsoever pass or give your assent to any Bill or act of assembly within the said Province or within the said Counties for the issuing emitting continuing or re-emitting any Paper Currency or Bills of credit whatsoever UNLESS every such Bill or act do contain one or more enacting clauses whereby it shall be effectually enacted that the Quit Rents and other Rents due and to be due to us or our heirs shall from time to time be paid according to the true and real rate of Exchange between the Citys of Philadelphia and London at the times such payments shall be made NOR UNLESS every such Bill or act of assembly do contain one or more other enacting clauses whereby it shall be effectually enacted that the whole of the interest moneys from time to time to accrue, arise and become payable from the Loan of all such Paper Currency or Bills of credit hereafter to be issued emitted continued or re-emitted shall be disposed of as we or either of us exercising the office of Governor, the Lieutenant Governor, or in case of his death or absence, the President of the Council and assembly for the time being shall direct and not otherwise AND YOU SHALL NOT under

any pretence whatsoever pass or give your assent to any Bill or act of assembly within the said Countys for enlarging or encreasing the present amount or quantity of Paper Currency or Bills of Credit here.

NEITHER SHALL YOU within the said Province pass or give your assent to any Bill or Act of Assembly for enlarging or encreasing the present amount or quantity of paper currency or Bills of Credit there beyond the quantity established by the act of assembly passed there in the twelfth year of his present majesty's reign and entitled an act for reprinting exchanging and re-emitting all the Bills of Credit of this Province and for striking the further sum of eleven thousand five hundred and ten pounds, five shillings upon Loan, UNLESS you shall be fully satisfied of the necessity and expediency of enlarging or encreasing such present amount AND in case such necessity and expediency shall fully appear to you Then you MAY on observing therein all the former parts of this present Instruction pass or give your assent to one or more proper Bills or Acts of Assembly within the said Province for enlarging or encreasing such present amount or quantity of Paper Currency or Bills of Credit there, in such sum or sums as you shall think right so as the whole sum to be made encreased or enlarged by Virtue of this present Instruction do not on any pretence whatsoever exceed the sum of Twenty thousand pounds Proclamation Money. WITNESS the Hands and Seals at arms of the said Proprietarys this thirtieth day of May in the twenty-fifth year of the Reign of our Sovereign Lord George the second by the grace of God of Great Britain France and Ireland King,

Defender of the Faith and so forth and in the year of our
Lord one thousand seven hundred fifty and two.

THOS. PENN, [L. S.]

RICHD. PENN. [L. S.]

D.

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AN
HISTORICAL SKETCH
OF THE
Paper Money issued by New Jersey.
BY
HENRY PHILLIPS, JR.

NEW JERSEY PAPER MONEY.

To obtain the French possessions in America, was the constant desire of Great Britain, and her colonies were from time to time called upon to assist with men and money her ambitious views.

The project for an invasion of Canada, submitted to the Jersey legislature in 1709, met with its assent, although the Quakers, who composed a large portion of that body, consistently and steadily opposed the measure.¹ To raise and equip troops and to provide stores for the expedition, bills of credit were issued to the amount of *three thousand pounds*, and the currency of the notes was enforced by the act creating them and later supplements. While the New England colonies were preparing a naval armament to coöperate with the fleet expected from Great Britain, the provinces of New York and New Jersey had raised, equipped and despatched a body of eighteen hundred men, under the command of Colonels Nicholson and Vetch, to march against Montreal by way of Lake Champlain. When, however, the troops had reached the lower

¹ *New York Colonial Documents*, v, 78.

end of the lake they were compelled to return, news having arrived that the destination of the fleet intended to assist them had been changed, and that it would not participate in the projected attack.

Such was the beginning of the paper money of New Jersey; a measure fraught with danger, as the resort to a base currency must ever be. To meet the present pressing emergency it seemed their sole resort, for the taxation absolutely necessary for the ordinary, though small, expenses of the government, was already a heavy burden on the people. It promised relief, and as such was joyfully welcomed.

Two years later, the failure of a second Canada expedition, for which New Jersey, New York and Connecticut had assembled together three thousand men to coöperate with a fleet expected from England under Sir Hoveden Walker, accompanying a body of troops under Brigadier Hill (a brother of Mrs. Masham), entailed upon the colony an additional debt of *five thousand pounds*, which for the purposes of the undertaking had been issued in paper money. A violent storm, causing the dispersion of the fleet, produced the abandonment of the expedition.

So far no suggestions towards a permanent currency had been made; the issuing of bills of credit was merely a temporary expedient to meet the exigencies of an occasion which, perhaps, could have been provided for in no other manner. But the want of a currency was greatly felt in the colony, and the people were glad to use, to a limited extent, even produce as a means of purchase.

The causes that led to this state of affairs have been ably

set forth by one of our great living historians, and whose very words will best convey the reasonings and ideas.

“The constant state of debt to the mother country created a demand for remittances, so that specie disappeared. America was left without a currency; she was incapable of the voluntary self denial requisite to recover a specie currency from commerce; could adopt no counteracting policy. * * * * * That it is the duty of a government to provide a currency for commerce, was the maxim that came into vogue in every colony but one:¹ and the impossibility of retaining a metallic currency in a state of colonial dependence was assumed as undeniable, and the maxim reduced to practice led to the perilous use of paper money. The provinces were invited to manufacture bills of credit. * * * * * The credit of the colonies was invoked in behalf of borrowers.”²

Imbued with these ideas, the governor of the province, in 1716, submitted to the legislature a recommendation for a further addition to their circulating medium, and it was resolved, to accomplish that end, to emit notes to the amount of £4,670, (equal to 11,675 ounces of plate at 8 shillings per ounce): of the old Canada expedition bills, of which the term of currency had been several times extended, there remained unredeemed and in circulation only *seventeen hundred pounds*; which sum, to a colony of the size of New Jersey, was from its smallness considered to be utterly worthless, for the purpose of a currency.

¹ We cannot conceive to which colony this allusion refers, as *all* issued paper money anterior to the Revolution.

² Bancroft, *Hist. United States*, iii, 387.

These issues, with a very small amount of specie and a few notes of some of the adjacent provinces, constituted their whole money, which was far from being adequate for their ordinary trade and commercial requirements.

Complaining of the hardships and grievances under which the people labored, petitions from them were constantly presented to the assembly, praying for some legislative enactment which would tend to their relief. *Specie*, there came none into the colony, as its produce chiefly found its market in Pennsylvania and New York, where either the same scarcity prevailed or else paper notes circulated as a legal tender, which the sellers were obliged to take in payment for their commodities, but which at the Jersey treasuries¹ were not receivable for taxes, although they possessed no other manner of money wherewith to make such payments: while the small amount of specie in the province grew daily less from the necessity of its being the sole remittance possible to Europe to pay for the importation of merchandize constantly in demand.

Payment of taxes in jewelry, broken ear rings, plate, &c.; had become a common occurrence. Nor was this trouble the least one which befel: great strife arose from the refusal of the paper money of the neighboring provinces by creditors of persons both domiciled in New Jersey, which they could not be forced to receive, although it might be the sole means in the power of the debtors with which they could discharge their obligations. Contentions grew daily from these causes, and law suits thrived.

¹It is foreign to our purpose to do more than note the existence of the *East and West Jersey treasuries*, which were consolidated at the Revolution.

The assembly gave an attentive hearing, from time to time, to the cries of the people, but made no effort to afford them any relief until 1723, when (Burnett being then governor), after a close investigation of the subject they resolved that a remedy of the most sure and most speedy nature would be found in the erection of a loan office, similar in its operations to the one lately established in Pennsylvania, and which had apparently resulted in so great a success.

The colony took upon itself the business of money lending, on terms more favorable than could have been obtained from private parties, and thus by the same action it created the much needed currency.

Forty thousand pounds (equal to 116,666 ounces 13dwt. 8gr. of plate) in bills of credit, were ordered to be struck and imprinted, and through the medium of loan offices, by the same act created for that purpose in every county, were to be issued to borrowers on land security, or plate at 5s. per ounce, at 5 per cent interest, which was to be paid annually, together with one-twelfth part of the principal, the term of currency being thus limited to twelve years.

No one person was to be permitted to borrow more than £100 nor less than £12.10s. and the notes ranged in value from *one shilling to three pounds*.

The act was modelled upon the one in force in Pennsylvania and contained its wholesome restrictive provisions, the adherence to which had worked so great and so sudden an apparent benefit to that province. The clauses also were copied which, making the bills a legal tender, inflicted penalties on those who refused to receive them, or exhi-

bited a preference for gold or silver, and which attached the death penalty to the crime of counterfeiting or altering the notes. The law contained an additional provision of great sagacity, which was followed in all subsequent similar enactments of the province.

If the persons appointed to sign and number the bills • neglected or refused to attend their office, others were in the same act provided as *alternates*, who should perform these duties, in order that no detriment should arise to the public from this delay. The annual accumulation of the interest was to go towards defraying the ordinary expenses of the government, and towards the creation of a sinking fund for the ultimate redemption of the bills.

The preamble of the act contains so much curious matter, so forcibly expressed, that it, as well as the form prescribed for the notes, is deemed worthy of preservation in this place.

“An act for an additional support of this government, and for making current *forty thousand pounds* in bills of credit, for that and other purposes therein mentioned.

“WHEREAS many petitions and applications have been made to his excellency, the governor of this province, by the freeholders, merchants, and inhabitants of the same, setting forth that the silver and gold, formerly current in this province, is almost entirely exported to *Great Britain* and elsewhere, and thereby the many hardships which his majesty's good subjects within this colony lie under for want of a currency of money, and that both the neighboring provinces of *New York* and *Pennsylvania*, to which the exportation of this province is chiefly carried,

have their currency of money in paper bills, and do pay for the produce of this province in no other specie: which bills of credit of the neighboring provinces being no legal tender here, does expose the inhabitants of this province to numerous vexatious suits, for want of bills of credit in this province, by law made and declared a legal tender, as is done in the neighboring provinces; and his excellency having the good and ease of his majesty's subjects of this province at heart, has been pleased to call their representatives together in general assembly, to provide remedies for the grievance aforesaid, who being convened here at *Burlington*,¹ and taking into their serious consideration the miserable circumstances of the inhabitants of the several counties which they represent, for the want of a medium of trade, or currency of money; and that though they had enough of the bills of credit of the neighboring provinces, yet, to pay the small taxes for the support of this government, they have been obliged to cut down and pay in their plate, ear-rings, and other jewels; and that many differences and law suits have arisen, and do daily arise amongst them, which will be the ruin of a great number of the said inhabitants, if some method be not found out for their relief. And this assembly, having deliberately considered the many petitions to the purposes aforesaid, to them presented, and being sensible, of their own knowledge, that the matters of fact therein set forth are true, and being well informed of the relief which neighboring provinces have found in the like case, by a paper currency, and hoping the like effect from it here,

¹ The sessions were held alternately at *Burlington* and at *Amboy*.

and finding no other way to remedy the grievances aforesaid, of his majesty's good subjects here, do enact," &c.

The act further provided that upon the left side of the bills, near the bottom, were to be impressed the arms of Great Britain, and that near the top and bottom of each bill, so made current, there should be printed their respective value.

The form selected for the notes was as follows:

*"This indented bill of ounces of plate, due from the province of NEW JERSEY, to the possessor thereof, shall be in value equal to money, and shall be accepted accordingly by the respective treasurers, and the commissioners of the several loan offices in this province, in all publick payments, and for any fund at any time in the said treasuries and loan offices. Dated at BURLINGTON, the twenty-fifth DAY of MARCH, 1724. By order of the governor, council and general assembly."*¹

As a farther relief to the people, produce also was made receivable at the treasuries in payment of taxes, at a rate a trifling amount below the market value. The notes when redeemed were to be defaced in a peculiar manner, provided for in the act, so that the parts which denominated the value and numbers should remain unimpaired, and were then to be put away in bundles, to be carefully

¹Of this early issue a specimen, believed to be the only one in existence, is in the hands of a Philadelphia collector. It is an ungainly note six inches in length by four inches in width. The initial letter T is in a vignette, representing a dog gnawing a bone, and across the top of the note extends an ornamental bordering of scroll work. The body of the note reads as directed by the act; at the bottom, but above the signature, are the words;

*"8 shill. 6 pence ȝ ȝ ȝ
at 8s. pr. ounce*

*Three shillings
Procla.*

kept by the treasurers, in order to be compared with such as might be suspected.

But the hopes of those who had projected the term of currency, were not destined to be realized. Counterfeits in large numbers soon made their appearance, being chiefly manufactured in and exported from Ireland: they were so well executed and so much resembling the genuine, as to be scarcely distinguishable from them. This cause, as well as the unhandy size adopted for the original notes, produced, in 1727, the recall of the first issue; a remedy forced upon Pennsylvania about the same time from the same causes.

The act of 1727 recited the damage inflicted by those counterfeit notes, and to remedy the evil ordered a new issue of £24,760¹ in new notes to replace the balance of the issue in circulation. These notes were to be current for the residue of the twelve years originally limited.

Public notice was directed to be given in the New York and Philadelphia Gazettes, of the approaching withdrawal from circulation of these notes.

It was declared that "between man and man they should no longer be current after the first day of November 1728, and that after the first day of November, 1729, they would no longer be receivable at the Public Treasurers for taxes."

Dr. Franklin, in his autobiography, speaks of having obtained the "job" of printing these notes, and in consequence of the low state of the arts in the country at that time, he says he was forced not only to engrave the designs

¹ £15,240 having been redeemed and destroyed by the operation of the Loan offices.

and checks for them, which were to be the safeguard against counterfeits, but also to construct the copper plate press whereon they were to be printed. Notes printed by him, bearing date as late as 1746, are still in existence, though of considerable rarity.

Such was the beginning of the New Jersey loan office system. So great and so sudden were the benefits believed to have accrued to the colony from this source, that in 1730 a second *bank*, of *twenty-five thousand pounds*, was created, to be current under the same provision for sixteen years: three years later even these large sums were found to be insufficient for their increasing wants of trade, as owing to the continued faithful operations of the loan offices the yearly quotas were faithfully absorbed and nearly *thirty thousand pounds* had been redeemed, and it was found necessary to issue *forty thousand pounds* in bills of credit on loan, constituting what is known as the *Third Bank*. This act, in common with others passed by the colony, was transmitted to England for approval, which, however, it did not receive until 1735, and the notes emitted under its authority bear date the *twenty-fifth day of March*, 1736.

The home government, in 1740, demanded of the colony, men and supplies for an expedition to the West Indies, and met with a ready assent. The assembly resolved "that they were heartily willing to render and do everything in their power that may be acceptable to his majesty," and to defray these expenses ordered an issue of £ 2000 in bills of credit.

The separation of New Jersey from New York had taken place in 1738, and Mr. Lewis Morris, who had been

instrumental in procuring it, was appointed the first governor of New Jersey. To his papers, as published, we are indebted for much valuable information on these subjects. His salary was £1000 currency, which he states to be equal to only £550 sterling. A letter from him to the lords of trade May 26, 1739, gives the following financial account of the province.

"There is but little, if any, gold or silver in the province, their whole commerce both among themselves and with their neighbors being managed by means of paper bills of credit, of which there are about £60,000 now current, and in the year 1741 it will begin to sink and grow yearly less, but the whole quantity, I am told, is not sufficient for the uses of the province, and that the people will soon be very pressing for more."¹

With the third bank ends the loan office system of New Jersey, never again to be resumed under the dominion of the crown. The people believing that good effects had arisen to them from their guarded paper money desired to augment and continue it; to this the English government, partly from uneasiness at the growing power of the colonies and partly from a well founded prejudice against this abuse of the public credit, refused its sanction, and would only permit such issues as were not a legal tender, and would be redeemable by specific taxation within a short period, and where the law creating them should contain a clause suspending their operation until the pleasure of the king should be known. They alleged as their reason the injuries inflicted upon British commerce by the

¹ Papers of Gov. Morris, p. 53. Published by the N. J. Hist. Soc.

excessive creations of paper money which had been issued by the Eastern and Southern colonies. As often as the assembly, desiring to recreate and extend their loans, legislated to that effect, the governor, giving as his reasons his instructions from the lords of trade, and the act of parliament, refused to give his assent.

Whilst this act was pending in parliament, a copy was laid before the Jersey assembly, who resolved that "if such an act should pass into a law, it would not only be an encroachment upon the fundamental constitution of the province and the concessions made to the first settlers thereof by his majesty's royal ancestors, also destructive of the liberties and properties of his majesty's subjects now inhabitants of the colony, as also a great discouragement to the further settlement thereof, which must be vastly detrimental to the trade of Great Britain by lessening the consumption of her manufactures." About this time a law passed by the assembly to issue *forty thousand pounds* was refused the sanction of the governor, although it contained a clause suspending its operation until the pleasure of the king should be known. The reason alleged being the pendency of the act above mentioned.

The injury inflicted upon British commerce by the extravagant paper issues of some of the other colonies, was the pretext set forth by the lords of trade for their hostility to such measures. But Smith shows that this argument was fallacious, because the remittances to England seldom took place directly from the province, but through the medium of Philadelphia and New York, where these notes, if at all permitted to circulate, could not there be a legal

tender, and so could never operate to the prejudice of foreign debts, as, notwithstanding what might be the difference of exchange, no person was obliged to take them: "which peculiarity is one which alone belongs to the state of trade in New Jersey, and renders their paper currency free from the objections usually urged against it by the British government."¹ The true reason of their hostility may, perhaps, be found in the circumstances that the *specific* disposition of the funds thus sought to be created was kept by the assembly in its own power, and the belief appears to have been entertained at that time, that if in these acts the paper money when made had been *directly* applied to specific objects (such as salaries &c.) so as to render the officers of the government independent of the assembly, "the *injury to British commerce*" would have been overlooked, and new issues of bills of credit permitted, perhaps even (as happened for such purposes in North Carolina) encouraged.

A message of Governor Morris to the assembly returning to them, unsigned, a bill for the creation of a loan office, &c., shadows forth the truer state of the case. He says: "If the bill had contained a *certain undisputed provision* for the support of the government, had a sufficient sum been appropriated for the building of a house and conveniences for the residence of the governor, and places and houses for the sittings of the council, and of the assembly, and for keeping the public records, I don't know how far I might have been induced to assent to it; but as none of these things are done or intended, I can neither assent to it myself or recommend it to his majesty."

¹Smith's Hist, of New Jersey, Burlington, 1765.

A letter from Mr. Morris to the lords of trade, dated December 15, 1742, speaks of the transaction in nearly the same language; mention is also made of a bribe of £500, which the assembly indirectly offered for his assent to the bill, but which, in strong terms, he refused.² The letter goes on to say. "The foreign trade of New Jersey is not considerable * * * * Most, if not all, their European commodities are supplied from New York and Pennsylvania * * * so that what paper we have, for the most part, circulates among ourselves, and having no specie but those bills, what we have is really not sufficient for our use; and £40,000, or a greater sum added, would not be too much for the use of the province if made for proper ends or motives to induce the government to grant it and put under proper regulations to keep up its credit, which by the care taken since my coming to the government is £12 ~~per~~^{per} cent. better than that of New York, and rising, and that of New York vastly superior to that of New England; £300 of which, as I am told, will not purchase £100 of New York money: and if I am rightly informed, it is to the people of New England is chiefly owing the complaints that have been made concerning a currency of that kind."

In another letter it appears that at this time £132, Jersey money, was equal to £88 sterling.

The governor evidently desired a palace for himself, remembering the docile action of the North Carolina assembly, which had for similar purposes poured forth tor-

² Gov. Morris' papers, p. 154, 155, 156.

¹ Gov. Morri's paper, p. 159.

rents of paper money, until the colony, was well nigh ruined.¹

The action of the governor in rejecting the loan office bill, coupled with one for his own advantage, met with the approval of the lords of trade. The system, so much desired by the inhabitants, and which they had believed had enured so greatly to their welfare, was for the future no more to be granted: the extraordinary expenses incurred by the Province through Canadian and West Indian expeditions, undertaken at the suggestion and for the aggrandizement of the mother country, and the cost of guarding the extended frontier, could only be met by the issue from time to time of "war notes," redeemable within five years by heavy direct taxation. Nearly *two hundred thousand pounds* were struck in bills of credit for these purposes, between 1740 and 1758, which were to be and were redeemed within their allotted periods. Exchange was, through these vast additions to their currency, raised to 180 in East Jersey and to 190 in West Jersey.²

The expeditions, generally unsuccessful and unproductive, consumed these large sums, and the burden of taxation thus imposed for the redemption of the notes was in vain sought to be relieved by the establishment of a loan office: the annual interest on the mortgages in that case to serve toward the extinction of the war debt.

"The people are fond of it because they want it, which is no bad reason for the making of it," is the expression of Governor Morris³ in his correspondence with governor

¹ Williamson's Hist. of North Carolina.

² Douglass.

³ Morris Papers, p. 165.

Shirley of Massachusetts on the subject, "at first view it seems to be a mistake that a paper currency is a hurt to British trade, for if there was no paper currency what gold and silver is now sent home must remain on this side of the water."

Under the date of September 3d, 1744, Governor Clinton sends Governor Morris a counterfeit New Jersey bill, which had been passed at Norwich, Connecticut.

A loan office bill was again passed in 1758 and sent to England for approval. The lords of trade refused to sanction it, alleging as the excuse for their action the following reasons, which as they were equally potent against all subsequent laws of that nature, and would operate to prevent their becoming a law.

They objected:

First. That the assembly reserved to itself the disposal of the money thus sought to be created, and the right to judge of the propriety of its application.

Second. The surplus of interest was to be applied towards the redemption of the outstanding bills of credit, instead of taxation for that object as theretofore practiced.

Third. The bills themselves were made a legal tender.

Currency, issued under these conditions, could not be permitted by the lords of trade, but unless in this manner carried out, it seemed to the colonists that no relief could be expected from the notes. The privilege of the disposition of their own money was at hazard: the whole history of the province was a continued struggle between the prerogatives of the crown and the privileges of the people: sooner than lose their rights they were content to

go without their desire. The same "*factionous*" spirit existed in the assemblies of some of the other colonies.

On behalf of those who desired such a currency it was urged that, while prudence dictated a certain limit to the amount of paper money proper for a circulating medium no evil could possibly ensue from the harmonious workings of a loan so secure and so well guarded as the previous ones, of which the foundations were mortgages upon the lands situated in the province, and hence as firmly based as the province itself. To skeptics were pointed out the faithful operations of the Pennsylvania loan office through a period of thirty years, which had met with such strong praise from Governor Pownall, and even the qualified¹ approval of Adam Smith: from which apparently such good results had arisen to the trade and prosperity of the province.

The utter insufficiency of the coin then in the colonies and the unlikelihood that in their dependent state it would ever become of greater amount, might, perhaps, have seemed a sufficient answer to the English financiers as a valid excuse for the creation of a currency of some other nature: necessarily a depreciated one, so that it would not be lost by exportation. The argument being, *that government is bound to supply a circulating medium for traffic, for those who are its dependents.*

In 1769 New Jersey ceased to issue bills of credit even for war purposes, and her penultimate issue under the crown bears date of that year. The restrictions of the parliament-

¹ The doubts of Adam Smith appear to have been only as to the fact, if the results actually were as they had been represented to him.

any enactment applied to her and no farther creations of paper were to be allowed: taxation was to be her sole support.

The whole amount of the debt incurred by the province "for the king's use," as it was termed, was *three hundred and forty-seven thousand five hundred pounds*, of which, in 1769, there remained unredeemed and yet to be provided for £190,000, which, it was expected, would be discharged by taxation between 1770 and 1783. Heavy penalties were inflicted on such as should refuse the bills, and strenuous exertions were made by the assembly, through all means in their power, to preserve their credit; but the absence of positive records withholds the knowledge how far these efforts were successful. It is believed the depreciation existing was not at any time prior to the Revolution very great, although the only information we possess is that, in 1740, Anderson places exchange at 60 per ct. premium; ¹Douglass, in 1748, places it at 180, and 190. Other fluctuations, though unrecorded, must have taken place.

For ten years no further issues took place, and the colony quietly absorbed its redundancy of paper money until 1774, when the desire for a loan office being as strong as ever, the legislature passed a law to erect one of *one hundred thousand pounds*,² and transmitted the act to England for approval, which, as it was divested of much of the objectionable features, it was hoped it might be permitted to receive. Not until the threatening voice of the colonies had become loud for the redress of their grievances was it

¹ Wright's *American Negotiator* agrees with Douglass.

² £25,000 additional were also ordered to be struck for other purposes.

deemed prudent, late in 1775, that the assent of the king should be given to the law; it was hoped that this approval of their ardent wish might serve to pacify the province or to divide it from the others. Even with the assent came the request that they would specifically apply a portion of the money thereby to be raised, towards the erection of a suitable mansion for the governor (W. Franklin) and for his council.

But the time for conciliation had forever passed away: loyal New Jersey was so no longer. A *de facto* government had been for some time in existence, and in it she had become a part and was represented. A community of oppression was the bond of union.

When, in December, 1775, the last crown governor communicated to the assembly the results of the deliberations of the king, casting aside, as soon as gained, their long sought for device, they resolved that such a course was now no longer prudent, nor even expedient, in view of the impending crisis. A convention of delegates from the several counties of the colony which had sprung into existence on the outbreak of the revolution, met again in the fall of this year, and resolved that the province should be placed in a state of preparation to resist the unjust encroachments and wicked demands of Great Britain. To provide arms, ammunitions, &c., for the militia, an issue of *thirty thousand pounds* in bills of credit was ordered: this sum was at a subsequent session, in February, 1776, increased to *fifty thousand pounds*. The bills (which are very rare) were to be, and were, redeemed before 1791. In form they were as follows:

"This bill by an ordinance of the provincial congress, shall pass current in all payments within the colony of New Jersey, for.....proclamation money. Dated the 20th day of February, 1776."

About the same time, the legislature resolved to use for the defence of the colony the notes which had been prepared for, and were to have been issued through, the loan offices; thus presenting the curious spectacle of bills bearing the name of the king and issued under his authority, converted into a means of destroying his power. With these notes New Jersey ceased for a while to issue paper money, and perhaps it would have been well had she never again been forced to this precarious resort. The sufferings which ensued from the expansion of the currency through the misguided action of the Continental congress, were as great within her borders as they were in the other states. Congress possessed no power to make its vast issues a legal tender; it could only recommend such action to the separate states comprising the Confederation. Believing that by this course they could remedy the financial disorders under which they labored, such a recommendation was accordingly made, and New Jersey, in August, 1776, declared the congress issues to be a legal tender for all purposes, and in payment for all debts, at the value expressed on their face; heavy penalties were to be inflicted on those who should refuse to receive them, or only at a depreciated value. Such persons were to be stigmatized as *traitors*.¹ Death was to

¹The word *traitor* was as loosely used then, as in these later days.

be the penalty of those who were convicted of counterfeiting or altering the notes.

At the session of 1776-77, the assembly, still possessed of the idea that forcible measures *would* sustain the currency of paper in defiance of natural laws, passed an act "to prevent disaffected and evil disposed persons from destroying the credit and the reputation of the continental bills;" about the same time they resolved that such notes, as well as the balance of those outstanding which were issued under the authority of the crown, and those emitted by order of the provincial convention, should constitute their sole currency.

In October, 1777, the still further depreciation of the continental currency again claimed their attention. Governor Livingston in a message to the assembly stated that the congress bills had fallen in value below those issued by the state, and were frequently exchanged for the latter at a great loss to the holder; he recommended the suppression of "this infamous traffic," and severe punishment to all concerned therein. As a further preventive measure he suggested the recall of all the bills issued by the authority of the state, for which those of congress should be given in exchange. These ideas were not carried into effect at that time, and in April 1778, the state, in need of money, yet dreading to issue more paper, which would still more increase the evil caused by the conflict of the state and continental currencies, and tend yet further to destroy the value of the latter, had recourse to a forced loan of £259,000 from all her counties, for which she issued to them interest bearing treasury notes.

In May, 1779, action was taken upon the recommendation of the governor, and it was resolved to withdraw from circulation all the bills issued under the sanction of the crown, declaring that after the first day of January, 1780, they should no longer be receivable in payment of taxes, or in exchange for continental notes at the public treasury.

Doubts had arisen as to whether the action of the legislature making the United States notes a legal tender applied to those emitted after the act was passed; to settle the matter, in October it was declared that all such notes as well as those hereafter to be issued were included within the provisions of the law. The remedy of limitation of prices was frequently resorted to, in addition to *tender laws* as a means of settling the disorders of the country, and as frequently their operation was temporarily suspended. At this session a request was made by the assembly to congress to adopt some general system for limiting and determining prices for the whole of the United Colonies; when congress, in November, agreed upon a resolution recommendatory to that effect, New Jersey enacted a fresh limitation with stringent penal clauses against *engrossing*¹ and *forestalling*, inflicting on the offender a heavy fine and forfeiture, and empowering the seizure of provisions and supplies for the use of the army and of the state at the prices therein determined upon.

But the credit of the continental money, unlimited and enormous as to its extent, unprovided for as to its redemption, and sure of never being paid, should the colonies prove unsuccessful in the struggle, could not by violent

¹These were *imaginary offences*, borrowed from the English common law.

and unnatural measures be sustained. Tender laws continually, more stringent and more severe, passed from time to time upon the recommendations of congress, only served to aggravate the evil, until at last that body (slow as in after times to discern that which is best) awoke to see that the measure to which they had trusted for their salvation, would prove, if persisted in, their general ruin. Congress recommended to the states in March, 1780, a revision of their tender laws, and in order to render an additional support to the government, it was determined to issue a new series of bills, to be based upon the joint credit of each separate state, and of the United States, which notes were to be exchanged for the old emission (of which, at that time, there were in circulation about *two hundred millions of dollars*) at the rate of forty dollars of the old, for one of the new issue.

The form of the notes were to be the same for each of the states, varying only in the name: they were to bear interest at five per cent, of which, as well as of the ultimate payment of the principal by the *thirty first day of December, 1786*, "the United States ensured the payment, and would draw bills of exchange for the annual interest if demanded, according to resolution of congress of March 18th, 1780." Of the whole amount issued, each state was to be permitted to retain six-tenths for its own use; the balance was to be at the disposal of the general government.

Acting thereunder, New Jersey, in June, 1780, ordered an issue (in notes varying in denomination from one dollar to twenty dollars) of *two hundred and twenty-five thousand pounds*, her quota under the resolution of congress, and

declared that in all future contracts and dealings no greater abatement was to be allowed on the old continental bills than the fixed exchange of forty for one. The whole amount ordered was, however, not deemed expedient to be issued, as owing to a want of confidence in the new notes they soon depreciated, rendering it no longer desirable to exchange for them the old emissions.

In November an act of tardy justice was performed. The lately agreed upon basis of forty for one was repealed, and it was enacted that the old emission notes should be current at their market value, irrespective of the amount called for on their face; this value was to be ascertained and published from time to time by the governor and council. No penalty now pursued the unhappy and misguided man who refused to receive these paper promises to pay at their own flattering estimate of their value.

In January, 1781, New Jersey, in common with most of the other states about this time, thought fit to prepare a scale of the depreciation of the continental money, by which the value of debts contracted at previous periods could be ascertained: certificates of depreciation for pay founded thereon were issued to the troops.

The following is the scale as then¹ adopted.

	1777.	1778.	1779.	1780.
January,.....	1	4	8	42
February,.....	2	4	10	50
March,.....	2	5	12	60

¹A much more *minute* scale, giving the almost daily depreciation, occupying many pages of folio, is to be found in a subsequent law. It would be worse than useless to preserve it here.

	1777.	1778.	1779.	1780.
April,.....	2	5	16	60
May,.....	2	5	20	60
June,.....	3	5	20	60
July,.....	3	5	24	60
August,.....	3	5	24	
September,.....	3	5	24	
October,.....	3	5	30	
November,.....	4	6	36	
December,.....	4	6	40	

The credit of the notes just issued was doubtful: from so many relief-promising schemes had the people suffered, and so grievous their disappointments, that not even in the most attractive and seemingly most secure ones could entire confidence be placed. To preserve as far as possible the good character of the bills, the legislature resolved "*that they were determined to redeem at their full value of gold and silver all and every of the bills issued on the faith of the state.*"

The currency at that time consisted in continental and continental state bills, which, although abundant were not sufficiently so for the purposes of trade, as none of them were of a smaller amount than one dollar. To remedy this trouble, and to serve as small change, *thirty thousand pounds* were issued (in notes of denominations varying from *sixpence* to *seven shillings and sixpence*), to be redeemed by the *thirty-first* day of December, 1787. But, naturally, even this small sum depreciated still further the amount already in circulation, and very soon the legislature was forced to comply with the clamor for the repeal of the law making these notes a legal tender, a clamor which, in all probability

arose from those who had been originally most zealous in favor of the enactment. In June that clause was repealed, as were also those inflicting penalties for the preference for gold and silver; the preamble reciting that the several compulsory acts previously passed to support the credit of the paper money had not answered the good purposes thereby intended. One year later it was resolved to withdraw from circulation the whole of this issue instead of permitting their full term of currency. This was accordingly done, and a small emission, which took its place in 1788, was soon likewise recalled.

The disorders natural to the protracted revolution were subsiding and commerce once again began to raise its head. No currency existed, save a trifling amount of specie and the chance notes of their own and the neighboring states.¹

From the "mighty monster,"² as continental money was called, value had long since departed, save for the purposes of speculation, for which some considerable traffic in it was still carried on. The extremely limited quantity of gold and silver in the state was, for the purposes of trade, almost non-existent. To the government, as usual, the people looked, still impressed with the idea that from it must arise a currency.

A law passed by the legislature in 1786, creating an issue of *one hundred thousand pounds* in bills of credit, was rejected by the governor and council, who were afraid of again having recourse to this desperate venture; but the people grew violent, and their tumults became so alarming for the relief which they supposed would be afforded

¹Peletiah Webster. ²Ibid.

them by the measure, that a special session of the legislature was forced to be convened in May, in order to pass the law, which then, to appease the populace, the governor was obliged to sign.¹

A strange phenomenon was exhibited in almost all the states at the close of the revolutionary war, namely, the rise of a *paper money party*.² It is naturally a matter of surprise, that a generation within whose memory exchange from Massachusetts or South Carolina upon England had been *one thousand per cent*; "which had within so recent a period been a spectator of, or actor in, the great drama of the origin, progress and downfall, of Continental money, Continental state money and state bills;" which had seen the hardships inflicted by the failure of so many promising projects; the poverty, the ruin, the embarrassments, the frauds, the dishonesties, and miseries, which arose from the paper money: it is a matter of great surprise, that the so fresh reminiscences of all these things, should not have operated to prevent ever again a resort being had to this precarious relief. Perhaps the remembrances of the frauds perpetrated by the fluctuations of the old currency may have formed a portion of the reasons for which the paper money was demanded; debtors being more numerous than creditors. But the mob, in general, still believed in the talismanic efficacy of paper, at whose magic touch blessings innumerable and help for all their woes were to arise. Riots in some of the states and clamors in others effected their object; but in others of the

¹Gordon; Mulford; Webster.

²Adams's letter.


states there existed patriots bold enough to breast unmoved the fury of the popular storm, and thus to save them from the dangers their neighbors so ardently seized. The letters of the statesmen of the time afford abundant proof of the assertion, and under these untoward circumstances, it is not remarkable that with the issue of 1786, faithfully redeemed, ends the history of the paper money issued by New Jersey.

APPENDIX.

A.

Pennsylvania Gazette, Feb. 13, 1766.

The Public are cautioned to beware of false Jersey Money now passing in this City, viz., Bills of 3*l*. April 23, 1761. Thirty Shilling Bills of April 8, 1762, and April 16, 1764.

 The Public are cautioned to beware of Counterfeit New Jersey Thirty Shilling and Three Pound Bills; there are three Emissions of them, two of Thirty Shillings, dated in 1762, and 1764; the first are badly done, and may be discovered from the whole Face of the Bill, the printing Letters running into the Escutcheon; but those of 1764 are so well done, that they are very difficult to be discovered; the only sure Mark is, that on the Back, at the Stem of the Sage Leaf, in the true Bills, is 30*s.*, but the false Bills have only the *s.*, 30 is left out.....The Counterfeit Three Pound Bills are dated in 1761, and not so well printed as the true Ones; the Impression is deeper in the Paper, and in the Word P L A T E the P is right over the A of April, in the false Bills, which is not so in the true Ones.....It is supposed these Counterfeit Bills came to New-York in one of the last Vessels from England, and that a large sum is already passed there.....One of the Accomplices, we hear, is in New-York Goal, and another of

them, one Michael Smith, is said to be gone into New-Jersey, with a large Sum of false Money, to purchase Cattle.....The above Description is the best we can give at present, from the Information we have received, not having seen any of the Counterfeit Bills.

B.

A Catalogue of the New Jersey Bills of Credit, comprising their Amounts, Denominations, and the Names of the Persons appointed to sign them, from 1723 to 1786.

No notice is taken of the early issues known as the "Canada expedition money," as in the laws which create them no particulars are given. The regular series does not begin until 1723.

1723.

November 30, (dated March 25, 1724,) £40,000.

4,000, each of £3.

8,000, do 30s., 15s., 12s., 6s., 3s.

12,000, do 1s. and 6d.

14,000, do 1s.

To be signed by John Parker, Robert Lettis Hooper, Peter Bard and James Trent. (Jacob Doughty and Enoch Vreeland, substitutes.)

1727—8.

February 10, (date March 25, 1728,) £24,760.

1,000, each of £6, £3.

4,000, do 30s., 15s.

5,000, do 12s., 6s.

7,000, do 3s.

8,000, each at 1s. and 6d.

12,200, do 1s.

To be signed by John Stevens and Isaac Decow.

1730.

July 8, £25,000.

625 notes, each of £6.

1,250 do 3.

2,500 do 30s.

5,000 do 15s.

7,500 do 12s., 6s.

10,000 do 3s.

12,500 do 1s. and 6d.

16,250 do 1s.

To be signed by any three of Richard Smith, Caleb Rap-
per, Andrew Johnston, and Michael Kearney (Samuel
Bickley, John Stevens, alternates).

1733.

August 16, (date, March 25, 173—,) £40,000,

1,000 notes, each of £6.

2,000 do 3.

4,000 do 30s.

8,000 do 15s.

12,000 do 12s., and 6s.

16,000 do 3s.

20,000 do 1s. and 6d.

26,000 do 1s.

Also, £10,000 additional.

250 notes of £6.

500 do 3.

1,000 do 30s.

2,000	each of	15s.
3,000	do	12s.
3,000	do	6s.
4,000	do	3s.
5,000	do	1s. and 6d.
6,500	do	1s.

To be signed by any three of John Stevens, Robert Hude, John Allen, and Isaac Decow (William Cox, Robert Smith, alternates).

1746.

June 28, (date July 2,) £10,000.

250	notes, each of	6.
500	do	8.
1,000	do	30s.
2,000	do	15s.
3,000	do	12s.
3,000	do	6s.
4,000	do	3s.
5,000	do	1s. and 6d.
6,500	do	1s.

To be signed by Samuel Nevill, Isaac Decow (William Burnett, and Steven Williams, alternates).

Also, £6,000 additional in the same proportions, &c., &c.

1755.

April 22, (date, May,) £15,000.

375	notes, each of	6.
750	do	3.
1,500	do	30s.
3,000	do	15s.
4,500	do	12s., 6s.

6,000	notes, each of	3s.
7,500	do	1s. and 6 <i>d.</i>
9,700	do	1s.

To be signed by Thomas Bartow, and Daniel Smith, Jr.
(John Smyth, and Abraham Hewlings, alternates).

August 20, (date, November 1,) £15,000.

Same denominations and amounts, to be signed by
Samuel Nevill, and Henry Paxson (Jacob Dehart and
Joseph Hollinshead, alternates).

December 24, (date, January 1, 1756,) £10,000.

250 notes of £6.

500	do	3. •
1,000	do	30 <i>s.</i>
2,000	do	15 <i>s.</i>
3,000	do	12 <i>s.</i> , 6 <i>s.</i>
4,000	do	3 <i>s.</i>
5,000	do	1 <i>s.</i> and 6 <i>d.</i>
6,500	do	1 <i>s.</i>

To be signed by Samuel Nevill and Joseph Yard (John
Smith, Joseph Hollinshead, alternates).

1756.

June 2, (date June 22,) £21,000.

625 notes of £6.

1,250	do	3.
2,000	do	30 <i>s.</i>
5,000	do	15 <i>s.</i> , 6 <i>s.</i>
5,500	do	12 <i>s.</i>
6,000	do	3 <i>s.</i>
7,500	do	1 <i>s.</i> and 6 <i>d.</i>
9,750	do	1 <i>s.</i>

To be signed by John Smyth and Hugh Hartshorne
(William Burnett and Joseph Hollinshead alternates).

1757.

March 21, (date, April 12,) £10,000.

500 notes of	6.
1,000 do	3.
2,000 do	30s.
1,334 do	15s.

To be signed by Samuel Nevill, Hugh Hartshorne
(John Smyth and Joseph Hollinshead, alternates).

June 3, £5,000.

250 notes of	£6.
500 do	3.
1000 do	30s.
667 do	15s.

To be signed by Samuel Nevill, Hugh Hartshorne
(John Smyth and Joseph Hollinshead, alternates).

1757.

October 22, (date, November.) £30,000.

1,100 notes of	6.
3,500 do	3.
6,000 do	30s.
4,000 do	15s.
6,000 do	6s.

To be signed by same persons as former issue.

1758.

April 4, (date, May 1,) £50,000.

1,834 notes of	6.
5,700 do	3.
10,000 do	80s.

7,000 notes of 15s.

5,487 do 6s.

To be signed by the same persons.

August 12, (date, October 20,) £10,000.

250 notes of 6.

500 do 3.

1,000 do 30s.

2,000 do 15s.

3,000 do 12s., 6s.

4,000 do 3s.

5,000 do 1s. 6d.

6,500 do 1s.

To be signed by James Hude and Joseph Yard, (same alternates).

1759.

March 17, (date April 10,) £50,000.

Same amounts and proportions as April 4, 1758.

To be signed by Samuel Nevill and Daniel Smith, Jr. (same alternates).

1760.

March 25, (date April 12,) £45,000.

1,875 notes, each of 6.

2,759 do 3.

4,883 do 30s.

9,000 do 15s.

13,500 do 12s.

4,500 do 6s.

6,000 do 3s.

7,500 do 1s. 6d.,

9,720 do 1s.

To be signed by Samuel Nevill and Hugh Hartshorne
(John Smyth and Daniel Smith, Jr., alternates).

1761.

April 7, (date of note, April 23,) £25,000.

917 notes of	6.
2,850 do	3.
5,000 do	30s.
3,500 do	15s.
1,372 do	12s.

To be signed by Samuel Nevill and Thomas Rodman
(alternates, John Smyth and Joseph Hollinshead).

1762.

March 10, (date, April 8,) £30,000.

15s., 30s., £3., £6, known to be in existence;
signers' names not found, nor *particulars* of the Act.

1763.

December 7, (date, 31,) £20,000.

250 notes of	6.
500 do	3.
1,000 do	30s.
2,000 do	15s.
3,000 do	12s., 6s.
4,000 do	3s.
5,000 do	1s. 6d.
6,500 do	1s.

Signers unknown; no *particulars* found in the Act.

1764.

February 23, (date, April 16,) £25,000.

From 1s. to £6.

Signers unknown; no *particulars* found in the Act.

1776.

February 20, *Resolution of the Provincial Convention of New Jersey*, £50,000.

9,500 notes of £3.

10,000 do 30s.

6,667 do 15s.

5,000 do 6s.

To be signed by Hendrick Fisher, Azariah Dunham, John Hart, Samuel Howe, Wm. Tucker, Ab'm. Hunt, Jos. Ellis, Alex. Chambers, Ab'm. Clark, Caleb Camp.

1776.

March 25, (date of Act, March 11, 1774,) £125,000.

3,125 notes of 6.

6,250 do 8.

12,500 do 30s,

25,000 do 15s.

37,500 do 12s. 6s.

50,000 do 3s.

62,500 do 1s. 6d.

81,250 do 1s.

To be signed by John Johnston, Rob't Smith (alternates, Jonathan Deare, Richard Smith).

1780.

June 9, (*Resolution of Congress*, March 18,) £225,000.

In bills of \$1, 2, 3, 4, 5, 7, 8, 20.

Signers for the United States, Joseph Borden or Joseph Kirkbride. Signers for New Jersey, Philemon Dickinson and John Imlay (Moore Furman and David Brearly, alternates).

1781.

30,000

January 9, ~~£800,000~~,

20,000 notes, each of 6*d.*, 9*d.*, 1*s.*, 1*s.* and 6*d.*, 2*s.* and
6*d.*, 3*s.* 6*d.*, 3*s.* 9*d.*, 4*s.*, 5*s.*, 7*s.* 6*d.*

To be signed by David Brearly and Philemon Dickinson,
(Robert Niel and Ben. Smith, alternates),

1783.

December, £31,259. 5*s.*

1,200 notes, each of £6.

3,000 *do* 3.3,977 *do* 30*s.*3,975 *do* 15*s.*3,976 *do* 12*s.*7*s.* 6*d.*, 5*s.*, 3*s.* 9*d.*, 2*s.* 6*d.*

To be signed by the treasurer and auditor of the state,
for the time being.

1786.

May 17, £100,000.

1*s.* to £6.

Names of signers not found in the laws as printed.

FINIS.

A
BRIEF ACCOUNT
OF
EMISSIONS OF PAPER MONEY,
MADE BY THE
COLONY OF RHODE ISLAND.
By ELISHA R. POTTER.



RHODE ISLAND EMISSIONS.

COLONY CURRENCY BEFORE THE INTRODUCTION OF PAPER.

WAMPUMPEAGE.—This was manufactured by the Indians, and was of two sorts, black made of the poquahock or quohaug, and white made of periwinkles. Many of the shells of which it was made, came from Long Island. The Indians on the sea shore were the first to manufacture it, and the inland tribes afterwards learnt it from them. The English learnt to trade in it from the Dutch. The wampumpeage served for a long time as a medium of exchange, and its value was at several different times fixed by law. In 1643, Massachusetts made it a legal tender for any sum not exceeding 40 shillings, the white at 8, and the black at 4 a penny. In 1649, in Rhode Island, black peage was fixed at 4 a penny. In 1658, all peage was fixed at 8 a penny, but white peage was receivable for taxes at 6 a penny. In May, 1662, having fallen very low, the law forbid its being received any longer for taxes or fees.—*R. I. Hist. Coll.*, vol. iii, p. 20, 46, 63; *Holmes's Am. Annals*.

GOLD AND SILVER.—The gold and silver in the colonies was nearly all Spanish or Portuguese coin, as the exportation of English coin from England, was prohibited by law.

In 1652, Massachusetts erected a mint at Boston, to coin silver of sterling alloy into 12*d.*, 6*d.*, and 3*d.* pieces, in value less than the British pieces by 2*d.* in 1*s.* The stamp was a double ring, Massachusetts and a tree on one side, and on the other New England 1652, figures XII. VI. or III. according to its value, with a private mark. A law was made to prevent any other coin but this and English coin from circulating in that state. The date of 1652 is on all the pieces although the coinage was continued for several years. The exportation of it was discouraged, but in 1748 almost all of it had disappeared and been driven out of the country by the bills of credit.—*Douglas*, i, 433.

BILLS OF CREDIT.—After the Revolution of 1688, England was engaged in almost perpetual war with France, and as France was until 1763 in possession of Canada, of course the colonies were engaged with the mother countries. The first of these wars continued from 1689 to 1697, and it was for the purpose of paying off her soldiers on their return from an expedition to Canada in 1690, that Massachusetts made the first emission of paper money. It fell almost immediately to 14*s.* for £1. But it was soon called in, and from this time forward they continued to emit such sums as were needed for the treasury, and once in a while to call in a parcel by a tax. In 1711, they fixed the exchange of these bills at £140 for £100 sterling. In 1714 they emitted a bank, (as it was called) of £50,000. As they took the lead in the business, so they went beyond all the other colonies in the amount of their issues.—*Douglas*, i, 310; ii, 13.

EMISSIONS OF PAPER MONEY.

The first emission in Rhode Island, was £5000, in 1710. Another war with France had begun in 1702, which lasted until March 31, 1713. £2000 more was emitted the same year. The bills were of all denominations from £5 to 2s. They were to be receivable for colony dues, and were to pass as current coin in all payments (specialities excepted) for five years. The reasons given for the emission of the latter sum were the scarcity of silver, and the debts contracted by the expedition against Annapolis Royal. In October the assembly was obliged to pass a law to prevent counterfeiting the bills. As the bills were generally very coarsely made, it was no difficult matter to imitate them.

An important distinction is here to be noticed between bills emitted for the supply of the treasury, which emissions were generally in small sums as occasion required, and a *bank*, which was an emission generally of a large sum, not for the exigencies of government, but to be loaned out at interest to the people on mortgage security for a term of years.

In July, 1715, a bank of £30,000 was emitted in bills of from £5 to 1s., which with £10,000 more emitted the same year, was called the First Bank. The reasons given in the act for the emission, were the long war against the French and Indians, the expeditions to Port Royal, and Canada, &c. They were to be loaned out to the inhabitants of the towns at 5 per cent. interest for 10 years, on mortgage security of double the value. The annual pay-

ment of the interest was not provided for in the mortgages, but was secured by bonds, and thus the state was afterwards defrauded of a large part of the interest. (See laws and schedules Feb. 178 $\frac{1}{2}$ and Dec. 1738). £1000 of the interest was to be annually appropriated to take up so much of the paper in circulation.

In May, 1716, Massachusetts issued a bank of £100,000.

In May, 1721, Rhode Island issued a second bank of £40,000, to be loaned out for five years in the same manner as the first bank, and the interest to be payable in hemp or flax. Half of the annual interest was to be divided rateably among the towns. The reason given for the emission was the scarcity of specie.

June, 1726, the £5 and 40s. bills of 1715 and 1721 having been counterfeited, were ordered to be called in and exchanged.

The colony continued from time to time to issue bills in small sums as they were wanted to supply the treasury. And whenever a quantity of the money was received into the treasury, a committee was appointed by the general assembly to burn it, and their reports are to be found in the schedules.

In May, 1728, the time of payment of the first bank was extended from 10 to 13 years, and then instead of being paid all at once, the borrower was allowed 10 years more to pay it in, one-tenth annually, without any interest after the expiration of the first thirteen years. The time of the second bank was extended in June, 1728, to 13 years, and then to be paid in, as above mentioned.

The depreciation of the bills, which begun soon after the first emission, must have been increased by this extension of the time of their redemption.

In May, 1728, a third bank of £40,000 was emitted and loaned out for 13 years. The reason given in the act was the decay of trade and commerce.

In 1731 and 1733, new banks were emitted, the latter of £100,000.

The bills of one colony generally passed in the neighboring colonies the same as their own bills, and the rate of depreciation was affected to a considerable degree by the amount issued by any colony in the neighborhood. The rate was probably about the same in Massachusetts and Rhode Island.

It will be observed that although the colony took mortgages for the bills they loaned out, these mortgages were not the least security to the bill holders. The bills were mere promises from the colony to pay a certain amount to the bearer, and the holders had nothing but the good faith of the government to depend upon. Thus they differed essentially from the bills of the banks now established in Rhode Island, for the payment of which, all the property of the corporation, and in numerous cases, the private property of all the stockholders of the corporation is pledged.

There was at first a combination made in Massachusetts to refuse to receive the Rhode Island bills of 1733, but it was not long adhered to. Large emissions were made the same year in Massachusetts, and the rate of depreciation very much increased.

To the emission of 1731, considerable opposition was made in Rhode Island. Gov. Jencks dissented from the passage of the act, and endeavored to establish his right to a negative, but did not succeed. Memorials against it were presented to the general assembly, from the merchants of Newport, complaining of the ruinous effects of the paper money on property and trade. After the act passed, the memorialists took out certified copies of the memorials and other papers for the purpose of sending them to England; upon which the deputy governor, Wanton, convoked the general assembly at Newport, August 3, who took away the copies from the memorialists and forbid the colony seal to be put to any thing of the kind. Petitions and memorials from the governor, the Newport merchants, the council and the assembly were afterwards forwarded to the British government, with what effect is not known.

The English government had at various times endeavored, but with little success, to restrain the emission of bills by the colonies. A proclamation was issued by Queen Anne, June 18, 1704, and an act passed in 1706-7, the 6th year of her reign, fixing the value of coin in the colonies. An order of council was also made May 19, 1720, forbidding any emissions by the colonies without royal assent.

One observation may be made here. The legislature sometimes attempted to fix a sort of scale of the rate of depreciation at which the bills should pass. But the rate fixed by them was seldom so high as the actual rate. In Massachusetts an endeavor by some of the council to fix

the legal rate as high as it actually was at the time among the business portion of the people, subjected them to a great deal of odium.

The emissions of paper money were generally opposed by the merchants and business men, and the more intelligent part of the community. They were generally advocated by the multitude who were indebted and distressed in pecuniary circumstances as a measure of relief. It was an easy way of paying old debts. And members of the general assembly would often be inclined to favor the emissions, not only from the desire of popularity, but the less honorable motive of pecuniary interest. Pretences were never wanting. The colony was in debt; the fort was out of repair, or a new gaol or court-house was to be built. And when the specie had been driven away by the increase of paper money, the "scarcity of silver" was a fresh excuse for further issues. And each new issue only involved the people as a whole in greater difficulties.

Those who were involved in debt, borrowed of the colony, on mortgage, a sufficient sum to pay those debts, as the bills were in many cases made a tender. At the end of the time fixed for paying the colony, a sufficient quantity of the same bills could be procured at a very low rate, and in many cases the government was defrauded of the interest.

The paper money was probably from about this time one of the great subjects of party warfare. Governors were elected and turned out, as the different interests happened to prevail.

Of the interest of the emission of 1731, a bounty was

established of 4*d.* per lb. on flax, 9*d.* per lb. on hemp, 5*s.* per bbl. on whale oil, 1*d.* per lb. on whalebone, and 5*s.* per quintal on codfish, produced in Rhode Island, or brought in in Rhode Island vessels. The bounty was to continue for ten years. Of the interest of the bank of 1733, half was to be divided rateably among the towns.

In the emission of a bank of £100,000, in August, 1738, provision was made for loaning it and for securing the *payment of the interest*, as well as the principal, by mortgage. The colony had lost a considerable part of the interest of former banks, as it was only secured by bonds.

By a report made by a committee to the general assembly in October, 1739, it appears there had been issued for the supply of the treasury up to that time £114,001 15*s.* and £3000 to lend to Nathaniel Borden. There had been called in and burnt £105,704 15*s.* 3*d.*, leaving about £11,296 in circulation. But it must be recollected that this was in addition to the outstanding bills of the several banks.

In September, 1740, on occasion of an expedition and fitting out a vessel against the Spaniards, a bank of £20-000 was emitted. The former bills had merely expressed so many pounds, shillings, &c. on their face, but the Legislature further attempted to fix the value of the new bills by saying that they should be equivalent to a particular quantity of gold or silver. The same plan, as Hutchinson says, was attempted in Massachusetts in 1741. These bills were to be in value 9*s.* to an ounce of silver of sterling alloy, or £6 13*s.* 4*d.* to an ounce of coined gold.

Now began the denominations of *new* and *old tenor*.

Occasionally however after this, bills were struck off upon the old plates. The new bills were called new tenor and the former bills old tenor. The bills emitted after this, it is believed, continued to be called new tenor until about 1756-8. The bills emitted after that time were called *lawful money bills*.

In Massachusetts the bills went by different names also, viz: old tenor, middle tenor, new tenor first, new tenor second.

In December, 1740, the assembly having received instructions from the lords justices in England to observe the act of the 6th Anne, amended the act they had passed in September. The bills were to be loaned, and the borrowers, when the time came, were to make payment in the same bills, or in silver at 6s. 9d. per oz., or in gold at £5 per oz. This value was expressed on the face of the bills. In May, 1741, the assembly made 6s. 9d. of the new tenor equal to 27s. of the old tenor (that is, one to four) in discharge of all contracts, judgments, or otherwise. Great difficulty was found in collecting in the different banks as they fell due. The assembly on several occasions were obliged to order the mortgages and bonds to be put in suit.

In February, 1743-4, a bank of £40,000 was emitted of the same fixed value as the last, and one quarter of the annual interest was appropriated to be divided among the towns.

September, 1744, a colony tax of £10,000.

In August, 1746, the qualification of voters was raised from £200 to £400.

In 1748, Dr. Douglas estimated that there were in circulation in the several colonies, bills (calculated in *old tenor*) to the following amount:

Massachusetts,	£2,466,612.
Connecticut,	281,000.
Rhode Island,	550,000.
New Hampshire,	450,000.

He also gives the following table of the province rates of Massachusetts at different times.

1702,	£6000.	1743,	£60,000.
1720,	6000.	1745,	120,000.
1730,	8000.	1747,	168,324.
1740,	39,000.	1748,	381,672.

By report of a committee to the general assembly, made in February, 1749, the following was then the state of the paper money business, giving the outstanding bills with the values as they reported them.

		Equal to sterling	
Outstanding of bank of	1758 £8000	£727	5. 6.
	1731 12,000	1090	18. 3.
	1733 40,000	8627	5. 6.
	1738 90,000	8181	16. 4.
	1740 20,000	7272	14. 6.
	1743 40,000	14,545	9. 1.
		£210,000	£35,445 9. 2.
Bills issued to supply } treasury mostly in } 1746 and 1747.	110,444 2. 3½.	1040	7. 5.
Nominal amount,	£320,444 2. 3½.	£36,485	16. 7.

This report was made in answer to a requisition of the

English government, and no doubt gives the most favorable view of the case. They probably estimated the bills at their legislative values, and they seem to have considered as outstanding only those shares or payments which had not then fallen due, whereas of those payments which had become due a great part was with difficulty collected.

In December, 1748, Massachusetts made provision for taking up the greater part of her paper then in circulation at a specified rate with the money she had lately received from England to reimburse the expenses of the war, and the remainder by taxes, and in a very few years their circulation ceased. The bills of the other colonies were prohibited passing there. Dr. Douglas considers the change made by the act was rather too sudden, and the operation of parts of the act was, indeed, several times postponed. Many people anticipated a shock in business, but none took place there. The trade of Rhode Island, however, did receive a shock in the loss of the West India importing business, which they had always done for Massachusetts.—*Hutchinson*, 440.

By the Massachusetts act of 1748, a Spanish piece of eight was fixed at 6s.; an ounce silver at 6s. 8d. The pieces of eight were then worth 4s. 6d. sterling.—*Douglas*.

Rhode Island also, at several times received grants of money from parliament for expenses incurred in the wars, but they did not stop their paper issues.

The measures taken in Massachusetts produced, as might be expected, a great effect upon the value of the paper of Rhode Island. About this time it fell to *one half* of its former value.

In April 1750, the Massachusetts and Rhode Island bills were at par with each other. September 1, 1750, the Rhode Island bills were worth 20 per cent. less than Massachusetts bills; that is, a piece of eight in Massachusetts sold for 45s. old tenor, and in Rhode Island for 56s. old tenor.—*Douglas*.

April, 1750, the exchange with London, in Massachusetts, was $11\frac{1}{2}$ to one. In September of the same year, it was $9\frac{1}{2}$.

The state of things in Rhode Island must have been very unfavorable to trade. In the year 1752, Joseph Whipple, an eminent merchant at Newport, and at that time deputy governor, failed and resigned his office, and was obliged to petition for an act of insolvency. Before this failures were said to have been almost unknown in Newport.

Dr. Douglas observes that in 1750, the paper money party got the majority in the lower house in Rhode Island, but that the upper house were rather opposed to the system.

In March, 1750, the ninth bank of £25,000 was emitted on new plates. It was for the purpose of giving bounties on flax, *manufactured* wool, the whale and cod fisheries. The bills were made equal to silver at 6s. 9d. per ounce Troy, or gold at £5 1s. 6d. per ounce. 6s. 9d. of this emission was to be equal to 13s. 6d. new tenor, or 54s. old tenor. Penalties were imposed to prevent depreciation below the following rate, viz: £137 10s. of this emission, or £275 new tenor, or £1100 old tenor for £100 sterling.

In June, 1751, the act was amended. The bounties

were abolished; that on manufactured wool as being displeasing to England, and the others as useless, and the interest was appropriated to take up bills emitted for the supply of the treasury. And 64s. old tenor, or 16s. new tenor, or 6s. 9d. new bills, was made equal to 1 ounce coined silver of sterling alloy. The bills were to be for ounces instead of pounds, and to be let for ten years instead of five.

In February, 1752, the value of a Spanish milled dollar was declared to be 56s. old tenor, as was the intent of the act of June 1751.

In October, 1754, £25,000 of an old tenor tax of £35,000 was appropriated to sink bills.

In February, 1756, £8000 *lawful money* bills emitted to be payable in two years. The value expressed in them was 6s. 8d. to an ounce of silver.

In August, 1756, the assembly made provision for sinking the bills which had been issued in 175 $\frac{1}{2}$ for the Crown Point expedition. One dollar specie was to be paid from the treasury for every £4 old tenor. A part of what was brought in was to be exchanged for treasury notes.

In the acts which were passed about this time for emissions, provision was generally made for taking up the bills at specified times by taxes or otherwise. And I believe that after May, 1758, the bills emitted generally bore five per cent. interest.

In August, 1759, the paper money or grand committee's office was settled up. The *non est* bonds (bonds which had been sued and the writs returned *non est inventus*) amounted to £41,869. The unsatisfied judgments on bonds to £8400,

and there were about £35,000 of bonds lodged in the hands of individuals to collect.

In October, 1761, £4500 sterling received from England was appropriated towards redeeming the bills emitted in June, 1759, and the interest on the bills to be stopped. Treasurer ordered to reckon one dollar, = 4s. 6d. sterling, 6s. lawful money in paying them.

By report of a committee made in August, 1762, there were then outstanding,

Old tenor bills,	£93,687 15s 2½d
Crown Point old tenor,	2321 17
Lawful money,	66,403 4 6

This does not include (I believe) any of the banks.

In September, 1764, old tenor bills were ordered to be received in payment of a tax at the rate of 23½ for one of the lawful money bills.

From time to time, acts were passed for calling in the bills of the different emissions, and giving to the holders of them treasury notes, when no other means were at hand. And these notes depreciated to about the same extent that the bills had done.

In June, 1763, the assembly passed an act, in the preamble of which, they refer to the act of 6th Anne, declaring silver and gold only to be lawful money, and that all contracts should be discharged in them, unless otherwise specially agreed. Value of certain coins in lawful money to be, viz.

English crown, weighing 19 pwt. 8½ gr.	£0 6s 8d
English shilling, 3 pwt. 20 ^p / ₁₆	0 1 4
Spanish milled dollar, . . .	0 6 0

One ounce of coined gold, £5 1s. 4d.

It further provided that debts contracted to be paid in old tenor, should be discharged by paying so much of the bills as in actual value is equal to the nominal debt, (interest, if any to be, at six per cent.) or else in so much lawful money as the bills are worth. The following table was made for the courts, as the old tenor value of a Spanish milled dollar.

1751,	£2 16s.	1758,	£6 0s.
1752,	3 0	1759,	6 0
1753,	3 10	1760,	6 0
1754,	3 15	1761,	6 10
1755,	4 5	1762,	7 0
1756,	5 5	1763,	7 0
1757,	5 15		

The passage of this act was protested against. See *Schedules*.¹

In October, 1764, a committee reported that there were then outstanding about £40,000 bills issued to carry on the war, and that these with the remnant of the old tenor bills would come to an end in 1767. This statement was prepared for the purpose of being sent to England.

In November, 1764, a sum of money received from England was appropriated to pay the bonds which had been given to redeem the bills of credit. The rate was to be \$1=4s. 6d. sterling=6s. lawful money.

In February, 1769, 6s. lawful money ordered to be reckoned equal to £8 old tenor in payment of a tax.

¹ The pamphlets containing the proceedings of the sessions of the general assembly of the state.

By an act of September, 1770, the passage of old tenor bills after January 1, 1771, was prohibited. They were to be brought into the treasury and exchanged for treasury notes at the rate of 6s. for £8 old tenor.

October 3, 1770, King's county jail was broken open in the night by a number of people in disguise, and several prisoners, one of whom was sentenced to be hung, let out and made their escape on horses which their friends had ready for them. Most of them were in confinement for counterfeiting, which, although the punishment had always been death, was now become a frequent offence.

In May, 1775, the colony having voted to raise troops, issued £20,000 in bills bearing $2\frac{1}{2}$ per cent interest, and made it a tender for all debts, 6s. 9d. to the silver ounce. In August the continental bills, of which there now began to be large emissions by congress, were made a tender at the rate of 6s. to a dollar. Emissions were now made often by the colony. The persons who should endeavor to lower the value of the bills were declared public enemies, and all means were used and penalties imposed, during the revolution, for the purpose of keeping up their value.—*Schedules*, Aug., 1775, July, 1776, Feb., 1780.

In December, 1776, a committee of the New England States recommended to them to emit no more bills of credit, unless absolutely necessary, but to tax or borrow, and to emit (if any) bills bearing four per cent. interest, and payable in three years. The general assembly approved of this plan, and ordered £40,000 to be hired, and notes given payable in two years, with six per cent interest. The notes were to be given for dollars, and the assembly

reserved a control over the interest. In February, 1777, they ordered £50,000 lawful money to be hired, and notes given (in dollars) payable in five years, with four per cent interest. They also made these notes a legal tender.

This year they began to lay taxes again, and it would seem from the schedules of December, 1777, that Providence consented to a very high valuation, in order to induce the assembly to lay the tax.

December, 1777, the assembly ordered all bills over one dollar which were not on interest, to be called in and burnt.

The money issued by the continental congress had now probably become the principal circulation, and had depreciated greatly. In June, 1780, the assembly raised all the fees, fines and forfeitures, established in 1774, forty for one. In November, 1780, the assembly fixed a scale of depreciation for the continental bills, from January 1, 1777, to April, 1780. All contracts were to be discharged in specie (except in some specified cases), and the tender acts repealed. May, 2d sessions, 1781, the scale was continued down to that time, and one dollar of the new continental emission was made equal to twelve dollars of the old. The judges were appointed to fix the rate of depreciation from time to time, and to publish it.

Acts were passed May, 2d session, 1778, June and November, 1782, for consolidating the paper money, ordering all bills and notes to be brought in to the treasury, interest calculated at six per cent from June 1, 1778, when they were struck out of circulation, and new notes given bearing interest.

May, 1786. After a hard contest, the paper money party prevailed in the election and John Collins was elected governor. A bank of £100,000 was issued to be loaned out in the usual manner at four per cent for seven years, and then one-seventh to be paid annually. These bills were made a legal tender except for debts due to charitable corporations. Acts were passed in June and August to keep up the credit of the bills and repealed in December. In September, 1789, the bills having fallen very low, the law making a tender was repealed. Of this emission of 1786 the following sums were afterwards burnt:

In February, 1793,	£45,846	7s.
February, 1794,	6,624	9 3d.
June, 1794,	3,284	4 6 ¹
January, 1795,	9,440	3 2½
January, 1796,	7,320	8 5½
June, 1797,	5,062	6 0½
June, 1798, £412 15s. 11d. ¹ =	6,191	18 9
Sep'r, 1798,	990	0 6
June, 1799, 211 14 2 ² =	3,175	13 8½
May, 1800,	1,583	14 9
May, 1800, 72 16 2½=	1,092	2 10½
May, 1801,	679	12 6
May, 1801, 118 6 5½ ² =	1,699	17 3
June, 1802,	2,280	15 6
May, 1803,	1,391	11 0

In June, 1788, the remainder of the emission of 1780 was ordered to be called in and exchanged for bills of May, 1786.

¹ Which had never been loaned.

² Lawful Money.

In June, 1791, the assembly fixed the following scale of depreciation for the bills of May, 1786, to be used in ascertaining the amount due on certain state securities:

Six shillings in specie to be equal

		9s. of the bills.
1786, July 1st	"	
" August 1st	"	10
" September 1st	"	12
" October 2st	"	18
" November 1st	"	20
" December 1st	"	21
1787, January 1st	"	24
" February 1st	"	27
" March 1st	"	30
" April 1st	"	34
1788, April 1st	"	38
" July 1st	"	45
1789, January 1st	"	60
" February 1st	"	66
" April 1st	"	72
" May 1st	"	78
" July 1st	"	90

In October, 1789, the rate of the bills of 1786, was fixed at fifteen dollars for one of silver, in payment of all judgments for silver. At the same session they provided that debts might be paid in real estate or produce, and that the bills of '86 should be a tender at par for all contracts made since November '86, unless made specially for gold or silver. In September, 1790, an act was passed to allow those who had hired the money to pay it in before it became due. The bills of this emission have been made

receivable at the rate of fifteen for one in payment of several taxes.—*Schedule*, June 1817; June, 1818; June, 1819, &c.

The depreciation of the paper of 1786 must have been hastened by the decision of the supreme court in the celebrated case of *Trevet vs. Weeden*, at the September, Newport term, 1786, that the act of emission was unconstitutional in several important particulars. For this decision the judges were summoned before the assembly and heard there by counsel, and after various debates and proceedings, they were discharged October, second session, 1786.

The preceding minutes have been compiled principally from the state records and Dr. Douglas's *Historical Summary of New England*. Several quotations are also made from a well known work of Mr. Gouge.

A part of the present state debt can be traced back to the treasury notes which were given at many different times to take up portions of the circulating paper. There is probably a considerable amount of paper money now in the offices of the clerks of the courts, where it has been lodged at different times for tenders.

To the table of emissions is added a column to show the amount of paper burnt by the general assembly from time to time, in which, however, complete accuracy is almost unattainable, as the reports of the committees who burnt the money do not always distinguish between the nominal value of the bills and their value in old tenor. The figures are intended to express the nominal value, or that which is expressed upon the face of the bills.

RHODE ISLAND PAPER MONEY.

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Date.	Emitted.	Burnt.		
1689, May, ¹				
1690, ²				
1698, ³				
1702, ⁴				
1710, May, ⁵	£5,000			
“ Oct.,	1,000			
“ Nov., ⁶	1,000			
1711, June,	6,000			
“ Nov.,	300			
1714, June, ⁷		£1102	8s.	6d.
1715, July,	30,000			
“ Oct., ⁸	10,000	800	0	0
1716, ⁹				
1717, June,		1722	14	9
1718, June, ¹⁰		540	7	6
“ Sept.,		874	18	0
1719, June,		1151	11	1½
1720, June,		858	10	11½
1721, May, ¹¹	40,000			

¹ War with France until 1697.² Massachusetts first emitted bills of credit.³ Samuel Cranston governor.⁴ War with France until March 1718.⁵ On account of French and Indian war.⁶ To pay debts for Annapolis Royal expedition.⁷ Massachusetts issued a bank of £50,000.⁸ First bank to be let out at 5 p. c. for 10 years. May 1728, time of payment extended.⁹ Massachusetts issued a bank of £100,000.¹⁰ War begun with Spain.¹¹ Bank issued on account of scarcity of specie. Let for 5 years at 5 p. c. May 1728, time extended.

Date.	Emitted.	Burnt.		
1721, June, ¹		£255	0	4
1722, June,		451	19	10½
“ Aug.,		235	5	1½
1723, Feb.,	£2,000			
“ June,		642	12	1
1724, June,		907	16	6
1725, June,		869	18	7½
1726, June,	49634	5s. 0d.	594	18 1½
1727, June, ²		14991	0	1½
1728, May, ³	40,000			
“ “	3,000			
“ June,	2,000	10573	10	10
“ “	3,000			
1729, June,		4536	16	6
1730, June,		3608	5	7½
“ Oct.,	1,000			
1731, June, ⁴	6,000			
“ “		4198	17	6
1732, June, ⁵		2381	6	1½
1733,		3946	2	6
“ July, ⁶	100,000			
“ “	4,000			

¹ Massachusetts issued a bank of £50,000.

² Joseph Jencks, governor. 1727 Massachusetts issued a bank of £60,000.

³ Bank. Decay of trade and commerce.

⁴ Bank.

⁵ William Wanton governor.

⁶ Bank. Massachusetts made large emissions this year.

RHODE ISLAND PAPER MONEY.

121

Date.	Emitted.	Burnt.
1734, ¹ Oct.,	£2,067 10	
1735, Aug.,		£1,015 13 1
1735, June,		3,514 9 0½
1737, June, ²	30,000	
1738, May,	10,000	
“ June,		26,269 15 10
“ Aug., ³	100,000	
1739, or before, ⁴		2,067 10 0
“ Aug., ⁵		14,077 9 2
1740, Sept., ⁶	20,000	
“ “	10,000	
1741, May, ⁷	8000	
“ Oct.,	8000	
1742, ⁸		
174½, Feb., ⁹		
174¾, Feb., ¹⁰	40,000 new tenor.	
1744, March,	10,000	
1745, May, ¹¹	15,000 or £3,750 new tenor.	

¹ John Wanton governor.² An emission to exchange torn bills.³ Bank.⁴ See report of committee.⁵ About £11296 in circulation of bills emitted to supply treasury.—*See Report*⁶ Bank. New tenor. The new bills to be equal one to four of the old. Expedition against the Spaniards.⁷ Richard Ward governor.⁸ War again.⁹ £24000 ordered to be emitted to exchange bills of 1740 called in.¹⁰ William Greene governor. Bank. Let for 10 years at 4 p. c.¹¹ 1745-8. Massachusetts issued large sums.

Date.	Emitted.	Runnt.
1745, Sept.,	£20,000 or 5000 new tenor.	
1746, June, ¹	45,000 or 11,250 new tenor.	
1747, Feb., ²	60,000 or 15,000 new tenor.	
1747, Feb., ³	30,000	
1748, ⁴		£88,725 0 0
1749, ⁵		
1750, March, ⁶	25,000	
1751, June,		24,280 2 0
1753, Feb. and Oct.,		45,885 old tenor.
1754, Feb.,		1647
1755, March,	60,000 old tenor.	
“ June,	40,000 “ “	
“ Aug.,	20,000 “ “	
“ Sept.,	60,000 “ “	
“ Dec., ⁷	60,000 “ “	

¹ Expedition to Canada.

² 1747. Gideon Wanton governor.

³ 1748. Peace.

⁴ William Greene governor. Douglas estimates the bills of Massachusetts £2,466,712. Connecticut 281,000. Rhode Island 550,000. New Hampshire 450,000.

⁵ By committee's report £135,335 18s. 1½d. were in circulation of bills emitted for supply of the treasury. Of this amount £24,891 10s. 10d. was actually in the treasury.

⁶ Ninth bank. In report of 1764, the bills of 1750 are said to be then equal £20 to £6 sterling.

⁷ Crownpoint money. Stephen Hopkins governor. The Crownpoint bills were all sunk within two years from their date.

RHODE ISLAND PAPER MONEY.

123

Date.	Emitted.		Burnt.	
1756, Feb., ¹	£8,000 ²	£13,792	0	0
“ Aug. & S.,	6,000 ²	18,208	0	0
“ Nov.,		18,430	3	0
1757, March,		177,006	11	6
“ June, ³		11,400	7	0
1758, Feb.,		11,693	3	11
“ May, ⁴	10,000			
1758, Sept.,		6,695	11	2
“ Oct., ⁵	10,909	1	9	
1759, Feb ,	12,000			
“ “	4000			
“ June, ⁶	4000	7072	14	10
1760, Feb.,	16,000			
“ March,	11,000			
1761, Feb., ⁷		1072	9	9
“ May,		48	2	6
1762, Feb., ⁸	5000	3	6	
“ March,	2000			

¹ War declared with France. Hostilities had begun in the colonies the year before.

² Lawful money.

³ William Greene governor.

⁴ Stephen Hopkins governor. These bills bore 5 p. c. interest.

⁵ Bearing 5 p. c. interest.

⁶ Battle on Plains of Abraham.

⁷ War with Spain.

⁸ 1762. Havana taken, August, 1762. Committee estimated there were circulating, old tenor, £93,687 15s. 2½d.
Crownpoint, old tenor. 2,321 17 0
Lawful money bills, 66,408 4 6

Date	Emitted.		Burnt.	
1762, May, ¹	£2,000	£10,506	0	9
“ Aug.,		87,059	old tenor.	
“ Sept.,	4,000			
1763, Aug., ²		48,787	0	0
“ Oct.,		426	0	0
1765, Feb., ³		80,063	0	0
1766, Feb.,	660	4,661	16	4
1767, Feb., ⁴	2,000	about 75,566	0	0
1768, Feb., ⁵		4070	0	0
1769, Feb., ⁶		57,174		
“ Oct.,		about 11,000		
1770, May,		40,317	12	1
“ Oct.,		810	11	5
1772, Oct.,		44,694		
1773, May,		9,560		
1775, May, ⁷	20,000			
“ June, ⁷	20,000			
“ Aug., ⁸		8,902	9	6
“ Oct.,	20,000	9,352		
1776, Jan., ⁹	40,000			

¹Samuel Ward governor.

²1763. Stephen Hopkins governor. Feb. 1763. Peace with France and Spain. Canada acquired.

³May. Samuel Ward governor.

⁴May. Stephen Hopkins governor.

⁵May. Josias Lyndon Governor.

⁶May. Joseph Wanton governor.

⁷To bear 2½ p. c. interest. Nicholas Cooke governor.

⁸Old tenor.

⁹Without interest.

Date.	Emitted.	Burnt.
1776, March,	£20,000	
“ July,	10,000	
“ Sept.,	\$66,670	
“ Dec. ¹		
1777, Feb. ²		
“ May, ³	\$15,000 = £4,500	
1778, Oct., ⁴		£73,193 15 5
1779, March, ⁵		
“ June, ⁶	£40,000	
1780, June, ⁷	20,000	
“ July, ⁸	not over £39,000	
1781, March, ⁹	about £38,000	
1783, Oct.,	about 6,000	
1785, Oct.,		11,479 11 6
1786, May, ¹⁰	£100,000	
1789, ¹¹		

¹ £40,000 hired on 6 p. c. notes.

² £50,000 hired on 4 p. c. notes. About £7000 of these notes burnt, March, 1781, besides what is set against that month.

³ Emitted in treasury notes, payable in 1785.

⁴ Of bills of 1775 and 1776, May. Wm. Greene governor.

⁵ Council of war issued a quantity, of which £10,920 was burnt in March, 1781.

⁶ Issued in treasury notes of £10 each, of which £39,870 was burnt in 1781.

⁷ To bear 5 p. c. interest, payable in 1781. Made a tender—confiscated estates pledged for their redemption.

⁸ On the credit of the U. S. at 5 p. c. interest.

⁹ \$871,568 old continental bills burnt = £61,470 5s.—this had been exchanged for new bills.

¹⁰ Bank. John Collins governor.

¹¹ Arthur Fenner governor.

REPORT OF A COMMITTEE TO THE GENERAL ASSEMBLY,

OCTOBER 31, 1739.

<i>The Colony of Rhode Island, &c.</i>				<i>Dr.</i>
1710, May,	An act passed for emitting of	£5,000		
“ Oct.,	“ “ “	1,000		
“ Nov.,	“ “ “	1,000		
1711, June,	“ “ “	6,000		
			—	£13,000
“ Nov.,	“ “ “			300
1723, Feb.	An act passed to emit and put into the general treasurer's hands for exchanging bills,			2,000
1726, June,	An act passed for emitting to exchange £5 and 40s bills that were called in,			46,634 5s.
1728, June,	An act passed for emitting and lending to the fort to be repaid again out of the interest of the loan money,			2,000
“ “	An act passed to emit and put into the general treasurer's hands for exchanging torn bills			3,000
1730, Oct.	An act passed to emit and put into the general treasurer's hands for exchanging torn bills,			1,000
1733, July,	An act passed for emitting to provide guns for the fort,			4,000
1734, Oct.	An act passed for emitting and delivering to the general treasurer and town treasurers, in proportion,			

	small bills to exchange for larger	
	money to burn,	£2000
	At the same time made more	
	by the grand committee,	67 10 £2,067 10
1737, June,	An act passed for emitting to ex-	
	change torn bills,	30,000
1738, May,	An act passed to emit for the same	
	purpose,	10000
		<hr/>
		£114,001 15

Anno 1728, Impressed and lent to William Borden, without interest, the sum of £3000, for ten years, and afterwards continued by act of assembly for five years longer after the expiration of the first term.

The Colony of Rhode Island, Cr.

1715, Oct.	By the £300 debited on the other side being lent to Capt. James Green for a term without interest and by that general assembly ordered to be burnt,	£300
1732,	By bills of the first impression, burnt by order of the several general assemblies from the year 1714 to the year 1732, amounting to by list thereof, No. 1,	11,499 1 10
	By £5 and 40s bills exchanged of them that were called in by the general assembly in June, 1726, and burnt by order of the several	

general assemblies from the year
1727 to the year 1732, amounting
to by list thereof, No. 2, £30,383

By so much the grand committee
delivered to and burnt by the
general assembly, being old
money they received of the sev-
eral treasurers for the small bills
emitted in Oct., 1734, 2,067 10

By bills of all impressions burnt
by order of the several general
assemblies, from the year 1717 to
the year 1739, amounting to by
list thereof, No. 3, 61,455 3 5

Lodged in the general treasurer's
hands, belonging to the colony,
1 bond £105,704 15s. 3d.

From Jonathan Sprague for de-
fraying the charges about the
gore Penalty £3,000.

4 bonds from Edward Thurston,
at £15 each, for interest money,
£60.. 1 bond from Samuel Bissel,
for so much lent him, £200. 1
bond from Edward Greenman,
payable in 1724, for £20. 3 bonds
from Edward and Silas Green-
man, for making good counterfeit
bills.

THE AMOUNT OF BILLS BURNT THAT WERE EMITTED ON THE
CREDIT OF THE COLONY.

Times when burnt.	Of the old impressions.		
In June, 1714,	£1102	8s.	6d.
June, 1717,	1718	0	9
June, 1718,	540	7	6
Sept. "	874	13	0
June, 1719,	1019	2	4½
June, 1720,	716	3	0
June, 1721,	149	13	6
June, 1722,	277	6	7½
Aug. "	191	8	1½
June, 1723,	422	14	6
June, 1724,	485	7	6
June, 1725,	322	11	9
June, 1726,	155	19	6
June, 1727,	1385	13	7½
June, 1728,	995	1	10
June, 1729,	508	17	9
June, 1730,	284	6	0
June, 1731,	143	0	9
June, 1732,	233	5	3

No. 1. £11,499 1s. 10d.

THE AMOUNT OF BILLS BURNT THAT WERE EMITTED ON THE
CREDIT OF THE COLONY.

Times when burnt.	Of the £5 and 40s. bills made for exchange.		
In June, 1727,	£12550	0s.	0d.
June, 1728,	8024	15	0
June, 1729,	3077	5	0

Times when burnt.	Of the £5 and 40s. bills made for exchange.		
June, 1730,	2314	5	0
June, 1731,	2822	5	0
June, 1732,	1594	10	0

No. 2. £30,383 0s. 0d.

THE AMOUNT OF BILLS BURNT THAT WERE EMITTED ON THE
CREDIT OF THE COLONY.

Times when burnt.	Of all impressions together.		
In June, 1717,	£4	14s.	0d.
June, 1719,	132	8	9
June, 1720,	142	7	11½
June, 1721,	105	6	10
June, 1722,	174	13	3
Aug. “	43	17	0
June, 1723,	219	17	7
June, 1724,	422	9	0
June, 1725,	547	6	10½
June, 1726,	438	18	7½
June, 1727,	1055	6	6
June, 1728,	1553	14	0
June, 1729,	950	13	9
June, 1730,	1009	14	7½
June, 1731,	1233	11	9
June, 1732,	553	10	10½
June, 1733,	3946	2	6
Aug. 1735,	1015	13	1
June, 1736,	8515	9	½
June, 1737,	4042	2	5

Times when burnt.	Of all impressions together.		
June, 1738,	26269	15	10
Aug. 1739,	14077	9	2

No. 3. £61,455 3s. 5d.

Voted and Resolved, that the aforewritten account of the state of the Colony be accepted, and that the Secretary enter the same upon Record.

Report of Committee, Feb. Session, 1749.

Whereas, this assembly, at their session in South Kingstown, on the last Wednesday of October last, appointed a committee to prepare an account (agreeable to the letter of the Duke of Bedford, one of his majesty's principal secretaries of state, to the Gov. & Co. of this colony,) of the tenor and amount of all the bills of credit which have been created and issued by this government, and are now outstanding, &c.—and the major part of the committee having assumed that province and perpetrated the business, made report to this assembly as followeth:

“The colony of Rhode Island, in the year 1728, emitted £40,000 in bills of public credit, equal then to £12,800 sterling, to be let on loan on land security of double the value, and at 5 per cent per annum interest for thirteen years. The interest was appropriated to the repairing and furnishing Fort George, the principal to be sunk by ten equal annual payments, two of which are yet outstanding, equal to £727 5s. 6d. sterling, and the sinking thereof will be completed in the year 1751.

And in the year 1731, the colony emitted £60,000 in bills of public credit, equal then to £16,841 17s. 4d. sterling,

to be let out on loan on security of double the value at 5 per cent per annum interest for ten years. The interest was appropriated to encourage raising hemp, flax, and the catching of fish and making oil by proper bounties given by the emitting act. The principal to be sunk by ten equal payments, two of which are yet outstanding, equal to £1090 18s. 3d. sterling, and the sinking of it will be finished in the year 1751.

And in the year 1733, the colony emitted £100,000 in bills of public credit, equal to £25,396 16s. sterling, to be let out on loan on land security of double the value and at 5 per cent per annum interest for ten years. The interest was to be appropriated to purchasing of cannon for Fort George and erecting a pier at Block Island. The principal to be sunk by ten equal annual payments, four of which are yet outstanding, equal to £3627 5s. 6d. sterling, and the sinking of this sum will be completed in the year 1753.

Again, in the year 1738, the colony emitted £100,000 in bills of public credit, equal then to £19,853 1s. 4d. sterling, to be let on loan on land security of double the value at 5 per cent per annum interest for ten years. The interest was appropriated to the building of a state-house for the colony and a light-house for the benefit of navigation. The principal to be sunk by ten equal annual payments, nine of which are yet outstanding, equal now to £8181 16s. 4d. sterling, and the sinking of this sum will be completed in the year 1758.

Again, in the year 1740, the colony emitted £20,000 in bills of a new tenor, equal to £80,000 of their former bills

and to £15,802 8s. sterling, to be let out on loan on land security of double the value on interest for ten years at 4 per cent per annum. The interest was appropriated to building a guard sloop for the colony and paying the colony's expenses in the expedition to the West Indies. The principal to be sunk by ten equal annual payments, the whole of which is now outstanding, and is now equal to £7272 14s. 6d. sterling. The sinking of this sum will be completed in the year 1760.

And lastly, in the year 1743, the colony emitted £40,000 of the new tenor bills, equal to £160,000 in bills of the old tenor and to £28,444 5s. 4d. sterling, to be let out on loan on land security of double the value, to pay interest ten years at 4 per cent per annum, which was appropriated to put the colony in a posture of defence during the war. The principal to be paid in ten equal annual payments, and the whole of this sum is now outstanding and is now equal to £14,545 8s. 1d. sterling, and the sinking of it will be completed in the year 1763.

At divers times from the year 1710 to the year 1747, the colony has emitted bills of public credit for the supply of the treasury to the amount of £312,300, old tenor, and there hath been called in and burnt at several times from the year 1728 to 1748, £176,964 6s. 10½d; and by the last settlement of the general treasurer's accounts it appears there was then in the public treasury £24891 10s 10d. From all which it appears that there is now outstanding of the bills issued to supply the treasury, £110-444 2s. 3½d. the whole of which outstanding sum was

issued in the years 1746 and 1747, and is equal to £1040 7s. 5d. sterling.

And the parliament having granted to this colony for their services in the Cape Breton expedition £6332 12s. 10d. sterling, and the colony having paid by order of the crown the wages of the officers and soldiers raised for the Canada expedition £3000 sterling, the said two sums being £9332 12s. 10d. sterling, are a fund for sinking so much of the colony's outstanding bills, and the remainder being £708 14s. 7d. sterling, is to be called in and sunk by a tax on the inhabitants of this colony.

The reason of the great depreciation observable in the bills issued by the colony, is, because the inhabitants of New England constantly consume a much greater quantity of British manufactures than their exports are able to pay for, which makes such a continual demand for gold, silver, and bills of exchange, to make remittances with, that the merchants to procure them are always bidding one upon another, and thereby daily sink the value of paper bills with which they purchase them. And it is plain that when the balance of trade is against any country, that such part of their medium of exchange as hath a universal currency will leave them, and such part of their medium as is confined to that country will sink in its value in proportion as the balance against them is to their trade. For what hath been the case with Rhode Island bills hath also been the common fate of all the paper bills issued by the other colonies in New England, they having been all emitted at near equal value, and have always passed at par one with an-

other, and consequently have equally sunk in their value: and this will always be the case with infant countries that do not raise so much as they consume, either to have no money, or if they have it, it must be worse than that of their richer neighbors, to compel it to stay with them."

Which report being duly considered, this assembly do vote and resolve, and it is hereby voted and resolved, that his honor, the governor, transmit the substance thereof under his hand to Mr. Agent Patridge, to be by him delivered to his grace, the duke of Bedford, one of his majesty's principal secretaries of state, in answer to his grace's letter to this colony about the bills of credit emitted here, &c., and also that a duplicate thereof be sent to the said agent for his own use.

And at the same time the committee aforesaid presented with their report what follows.

*The Colony for all Money Emited for Supply of the
Treasury,* DR.

1710, May,	to cash emitted,	£ 5000
1710, October,	" "	1000
1710, November,	" "	1000
1711, June,	" "	6000
1711, November,	" "	300
1726, June,	" "	46000
1728, June,	" "	2000
1730, February,	" "	1000
1733, July,	" "	4000
1737, June,	" "	30000
1738, May,	" "	10000

1740, September, to cash emitted,	£10000
1751, May, " "	8000
1741, October, to cash emitted,	8000
1744, March, " "	10000
1745, May, " "	15000
1745, September, " "	20000
1746, June, " "	45000
1746, February, " "	60000
1747, February, " "	30000

£312,300

CR.

For what has been Burnt,

1727, June, by cash burnt at several times before this date, as appears by a settlement of the general treasurer's account,

£12550 0s. 0d.

1728,	By cash burnt this year,	9019 16 10
1729,	" "	3604 7 9
1730,	" "	6430 10 7½
1731,	" "	1376 13 6
1732,	" "	2381 6 1½
1733,	" "	3946 2 9
1734,	" "	1015 13 1
1736,	" "	3525 9 0½
1737,	" "	4042 2 5
1738,	" "	26269 15 10
1739,	" "	14077 9 2
1748,	" "	88725 0 0

£176,964 6 10½

Balance due from the colony, 135,335 13 1½

£312,300 00 0

We, the subscribers, being appointed a committee to enquire into the state of the bills of public credit that have at any time been emitted by the colony of Rhode Island, do report that the colony hath issued for the supply of the general treasury at the times noted on the debt side of the above account, £312,300, and that there hath been burnt at the times noted on the credit side of this account £176,964 6s. 10½*d*, and that there is now circulating of bills of credit emitted by the colony for a supply of the treasury £135,335 13s. 1½*d*.

PETER BOURS,
STEPHEN HOPKINS,
DANIEL JENCKES,

Newport, Feb. 27, 1749.

And this assembly having taken the said report into consideration, do vote and resolve that the same be and it is hereby accepted.

List of Emissions in Massachusetts.

To show the bills which were in circulation in 1748, calculated in old tenor. [Douglas, 1. 526.]

1745, February,	£200,000	acts of emission for cancell-
“ April,	200,000	ing a certain sum every year
“ July,	280,000	by rates, thus of the table
“ August,	280,000	here given £409,800 would
“ December,	200,000	be called in, in 1748, £540,-
1746, March,	80,000	000 in 1749, £140,000 in 1750,

1746, June,	328,000	£135200 in each of the years
“ July,	100,000	1751 and 1752, £140,000 in
“ August,	80,000	each of the years 1753-4-5-
“ September,	40,000	6, and so on.
“ November,	80,800	
1747, February,	32,800	
“ April,	80,000	
“ June,	32,000	
“ October,	139,000	
1748, February,	100,000	
“ June,	400,000	

Table of comparative depreciation of colony currency
bills of credit, 1748. [From Douglas, i, 494.]

For £100 sterling in exchange with London.	New-England,	£1100
	New-York,	190
	East Jersies,	190
	West Jersies,	180
	Pennsylvania,	180
	Maryland,	200
	Virginia,	120 to 125
	N. Carolina,	1000
	S. Carolina,	750
	Barbadoes,	130
	Antegoa,	170 to 180
	St. Christophers,	160
	Jamaica,	140

REPORT OF COMMITTEE, AUGUST SESSION, 1762.

Whereas his Honor the Deputy Governor, Edward Scott and George Hazard, Esq's., and Messrs. Walter Cranston and William Richardson, who were appointed a Committee to examine how much of all sorts of money hath been emitted upon the faith and credit of the Government, presented unto this Assembly the following state of that account, and report, viz:

The Colony of Rhode Island, &c.

Dr.

For Bills of Credit emitted to supply the general treasury.

To bills of credit outstanding		
1749-50. the 27th of February, 1749,		
Feb. 27. as by report then made to the	Old tenor.	
General Assembly,	£135,335 13 1½	
CR.		

1751, June. By bills of credit received for		
bills of exchange and burnt		
as per report made to the		
General Assembly, June		
18, 1751,	24,280	2 0

The Colony of Rhode Island,

Cr.

1751, June. By do. part of the rate for		
£35,000 old tenor, ordered in		
October, 1754 and burnt as		
per report made to the General		
Assembly, dated Feb. 13,		
1756,	13,792	0 0

By do. part of the rate for
£70,000 old tenor, ordered in

Oct. 1755, burnt as per report made in February, 1758, £3,575 15 11	
Bills of credit yet outstand- ing, due from the Colony in old tenor bills,	93,687 15 2½
	<hr/> £135,335 13 1½

DR.	Old tenor.	
'55 March, To Crown Point bills,	60,000	0 0
2mon June. " "	40,000	0 0
Aug. 11. " "	20,000	0 0
Sept. 8. " "	60,000	0 0
Dec. 22. " "	60,000	0 0
	<hr/> £240,000	0 0

CR

1756, Aug. By Crown Point bills burnt as per report made to the General Assembly,	18,208	0 0
November. By ditto,	18,430	3 0
'57, March. By ditto,	177,006	11 6
June 2. By ditto per receipt given the late Treasurer,	11,400	7 0
'58, Feb. By ditto per report made to the Assembly,	7,717	8 0
Sept. 15. By ditto per receipt given to late Treasurer,	2,930	11 6
'59, June. By ditto per report made to the Assembly,	1,181	15 6
'61, Feb. By ditto as per Treasurer's ac- counts then audited,	760	9 6

RHODE ISLAND PAPER MONEY.

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May. 2.	By ditto per receipt given to William Richardson,	£42	17	0
		£237,678	8	0
	<i>The Colony of Rhode Island,</i>		<i>Dr.</i>	
1756, last			Lawful money.	
Monday, Feb.	To lawful money bills ,	8,000	0	0
Aug. & Sep.	To ditto (the bills dated in August,) 1756,	6,000	0	0
		£140,000	0	0
1758.	CR.			
Feb. 14.	By lawful money burnt as per report made to the Assembly,	4,000	0	0
Sept. 15.	By ditto emitted in February, 1756, as per receipt given to the late Treasurer,	3,764	19	8
'59, June.	By ditto in full for said money as per report made to the Assembly,	235	0	4
	By ditto, August, lawful money, per ditto,	5,605	19	0
'61, Feb. 9.	By ditto per receipt given to the late Treasurer,	312	0	3
May. 29,	By ditto per receipt given to William Richardson,	5	5	6
		£13,823	4	9
	Delivered to the present Treasurer,	£76	15s.	4½d.
	lawful money, in gold.			

1758.

Dr.

May. 8.	To lawful money bills carrying an interest of 5 per cent per annum,	£10,000	0	0
Last Wed. in Oct.	To ditto (the bills dated December 23, 1758.)	10,909	1	9
'59, Feb. 26.	To ditto (the bills dated March 15, 1759,)	12,000	0	0
	To ditto (the bills dated April 4, '59)	4,000	0	0
June.	To ditto,	4,000	0	0
'60 Feb. 25.	To ditto (the bills dated March 10, 1760)	16,000	0	0
May	To ditto,	11,000	0	0
'62 Feb.	To ditto (the bills dated March 20, 1762)	5,000	3	6

The Colony of Rhode Island,

Dr.

March	To ditto (the bills dated April April 10 '62)	2,000	0	0
May 8	To ditto,	2,000	0	0
		£76,909	5	0

Cr.

Lawful money.

'62 May	By bills dated June 23, 1759, burnt as per report made to the Assembly,	3,686	10	0
	Ditto, dated May 8, 1758, burnt as per same report,	6,819	10	9
		£10,506	0	9

We, the subscribers, being appointed by the General Assembly a Committee to examine how much of all sorts of bills hath been emitted upon the faith and credit of the government, do report: That of the several emissions preceding the 27th day of February, 1749, there was outstanding at that time (as appears by a report then made to the General Assembly, a copy of which is herewith presented,) the sum of £135,335 13s. 1½d.

That it appears by a report made to the General Assembly in June, 1751, there was burnt of bills of credit received for bills of exchange sold, the sum of £24280 2s old tenor.

That in October, 1754, the General Assembly ordered a rate for £35,000 old tenor, £10,000 of which they appropriated for Fort George, and the remainder to sinking the Colony's outstanding bills of credit made to supply the Treasury; but there was only £13,792 applied to the sinking of the said bills. £11,208 collected by that rate was exchanged for Crown Point bills, which were burnt as appears by a report made to the Assembly in August, 1756.

In October, 1755, the General Assembly passed an act for a tax of £70,000 old tenor, and ordered that £40,000 thereof should be appropriated towards sinking the Colony's outstanding bills of credit, made and emitted to supply the General Treasury for defraying the charge of the then present expedition; and the remaining £30,000 towards sinking the outstanding bills of credit made and emitted to supply the Treasury for defraying the charge of former expeditions; but by an act passed in February

following, the whole of that tax or rate was appropriated towards sinking the bills emitted for carrying on the expedition against Crown Point.

In November, 1756, there was burnt in old tenor bills collected by the said tax, the sum of £52,271 17s. 5d., of which there was in Crown Point Money £18,430 3s.; the remainder of the sum then burnt amounting to £33,841 14s. 5d., was by order of the Assembly taken out of the Grand Committee's Office and placed in the General Treasury. However, it appears by a report made to the General Assembly in February, 1758, that there was burnt £3,575 15s. 11d. old tenor, part of this rate made in 1755.

The three sums placed on the credit side of the account amounting to £41,647 17s. 11d., being deducted from the sum outstanding the 27th of February, 1749, there remains £93,687 15s. 2½d. old tenor, which is now outstanding in old or rather new tenor bills emitted upon the faith and credit of the government.

There was emitted at the several times in the year 1755, noted on the debt side of the account, the sum of £240,000 old tenor, in bills called Crown Point Money, of which, as appears by the several reports made to the General Assembly, held at the times noted on the credit side, and by receipts given to the late General Treasurer, Thomas Richardson, Esq., and to his Executor, Mr. William Richardson, (copies of which receipts we herewith present,) there hath been burnt the sum of £237,678 3s. We think it proper to mention that the Crown Point Bills first placed in the account as burnt, were burnt at two several times; first, £7,000, and afterwards the £11,208

above mentioned; and that there was presented to the general assembly, held in September, 1757, a report dated May 27, 1757, in which the committee who made that report say they had received and burnt £11,053 1s. Crown Point money; but as we believe that sum was included in the receipt dated June 2d, 1757, we have not placed it in the account.

In the year 1756, there was emitted in bills called lawful money the sum of £14,000, whereof £8,000 was in bills dated in February, 1756, and £6,000 in bills dated in August, 1756. There was burnt of these lawful money bills the sum of £4,000, as appears by a report made to the general assembly, held the 14th of February, 1758, and the sum of £3,764 19s. 8d. in bills emitted in February, 1756, as appears by a receipt, a copy of which we herewith present, given to the beforementioned general treasurer: there was also burnt the sum of £235 0s. 4d., lawful money, emitted in February, 1756, as appears by a report made to the general assembly, held in June, 1759, which the committee that burnt it say is in full for the said money. It is in full for £8,000, but through inadvertence the committee burnt some of the bills dated in August, instead of those dated in February — some of the latter being still extant. By the last mentioned report it appears that the committee had burnt £5,605 19s. August, lawful money, and by a receipt dated February 9, 1761, given to the aforesaid late general treasurer, it appears that the committee had received of him and burnt £312 0s. 3d. August, lawful money; and by another receipt dated May 29, 1761, given to Mr. William Richardson, (a copy of

both which receipts we herewith present,) it appears they had received of him and burnt £5 5s. 6d. of said lawful money. The three sums of money last mentioned, together with £76 15s. 4½d. lawful money in gold delivered by the said William Richardson to the present general treasurer, Joseph Clark, Esq., amount to £6,000 0s. 1½d., and will, when the said gold is exchanged, complete the sinking of the whole £14,000 above mentioned.

In May, 1758, there was emitted £10,000 lawful money in bills carrying an interest of 5 per cent. per annum, and in pursuance of acts of assembly there have been several emissions since of the like sort of bills at the times noted on the debt side of the account, amounting, with the afore-said emission in May, to the sum of £76,909 5s. 3d. lawful money; of which there hath been burnt £3,686 10s. in bills dated June 23, 1759, and £6,819 10s. 9d. in bills dated May 8, 1758, both sums exclusive of interest on the bills, as appears by a report made to the general assembly in May last past. The general treasurer hath informed us that he hath in his hands the sum of £62 4s. 6d. in May bills 1758, and the sum of £101 in June bills, 1759, and gold sufficient to redeem the remainder of the said June bills still outstanding. We submit this report to the hon. general assembly, and are their most humble servants.

JOHN GARDNER,
EDWARD SCOTT,
GEORGE HAZARD,
WALTER CRANSTON,
WM. RICHARDSON.

And the foregoing report being duly considered, it is

voted and resolved, that the same be and hereby is accepted.

From a report made August, 1762, it appears there was then due from the colony £43,749 16s. old tenor, upon bonds given for old tenor bills hired at 10 per cent; also, £5061 lawful money, hired at 7 per cent; also, \$7,191. 50. The interest on the bonds is not included. There was then in the treasury £896 12s. lawful money, £1,953 0s. 3d. New York currency, £354 10s. in gold, £424 11s. 6d. in silver milled dollars, amounting to \$1,061⁷/₈, and £1,173 18s. 9d. in New York paper bills. Part of the last tax had not then been paid in.

Report of Committee, October Session, 1764.

Whereas the committee, appointed to prepare a state of the paper currency of this colony, in answer to the requisition of the lords, commissioners for trade and the plantations, presented unto this assembly the following state of the same, viz:

A state of the paper bills of credit issued since the year 1749, by the colony of Rhode Island, drawn up in obedience to an order of the lords, commissioners of trade and plantations, dated at Whitehall the 11th of May, 1764.

In the month of March, 1750, there were issued by said colony £25,000 in bills, equal in value to about £18,750 sterling. These bills were let out upon loan for ten years at 5 per cent. interest, and then to be paid in at five equal annual payments, the whole of which sums is near expiring. These bills having depreciated are now of two fifths

of the value they were at when emitted. All the outstanding bills emitted before the year 1750, called old tenor, are drawing near their periods and will terminate in a short time.

In the year 1755, for paying the expense incurred by the colony in carrying on the expedition against Crown Point, there were issued bills equal to £13,500 sterling, to circulate two years without interest and then to be called in and sunk, which was preformed punctually within the time limited.

In the year 1756, for paying the expenses incurred by the colony in the second expedition against Crown Point, there were issued bills equal in value to £10,500 sterling, like those of the last year, to circulate two years without interest, and then to be called in and sunk, which was fully done within the time limited.

The war still continuing and the colony being called upon for larger quotas of men than it had hitherto raised, perceived that bills must of necessity be issued for a longer period than two years, otherwise it would be unable to preserve their credit by a punctual payment at the time promised. Accordingly, in the year 1758, the colony issued bills, agreeably as it supposed, to one of the provisos contained in the act of parliament, passed in the 24th year of the reign of his late majesty George 2d, entitled "An act to regulate and restrain paper bills of credit in his majesty's colonies or plantations, of Rhode Island and Providence plantations, Connecticut, the Massachusetts Bay, and New Hampshire, in America, and to prevent the same being legal tenders in payment of money."

Which bills were to circulate five years and carry an interest of 5 per cent. per annum. £20,909 was this year issued agreeing in value to the proclamation of the tenth of queen Anne, and to £15,681 15s, sterling. These bills were wholly called in and burnt within the time. But as all the paper bills that have been emitted by the colony since the year 1758, have been in exact conformity in every respect to those emitted at that time, we here subjoin a copy of the act of assembly by which part of the said bills were created and issued, as a specimen of all the emitting acts since that time.

An Act for emitting, in Bills of Credit, a Sum not exceeding ten thousand Pounds Lawful Money.

Whereas the General Assembly of this colony, at their session in South Kingstown, on Monday, the 13th of March last, in obedience to his Majesty's commands, signified by one of his principal secretaries of state, passed "An act for raising and paying 1000 able-bodied, effective men, for the ensuing campaign against his Majesty's enemies in North America." And in order to supply the general treasury for carrying the intentions of the act aforesaid into execution, the assembly then directed the treasurer to hire as much money as would be needful for that purpose, but the treasurer having found it altogether impracticable to hire sufficient sums of money for the ends aforesaid, and it being of the utmost necessity and importance that the treasury should be sufficiently supplied on this extraordinary occasion :

Therefore, be it enacted by this general assembly, and by the authority of the same it is enacted, That bills of

credit be forthwith impressed from types and signed by the persons hereinafter named, to a value not exceeding £10,000 lawful money, esteeming silver at and after the rate of 6s. 9d. per ounce, and gold at its proportionate value; that the said bills shall carry an interest of 5 per cent per annum to the possessor, and shall pass with the interest added to them in all payments in which those bills are a lawful tender. The bills so emitted shall be of the denomination of 30s., 20s., 10s., 5s., 2s., 1s., and of 6d, and an equal number of bills shall be made of each denomination and the bills shall be of the following form:

“The possessor of this bill shall be paid by the treasurer of the colony of Rhode Island thirty shillings lawful money, at the rate of six shillings and nine pence for one ounce of silver, with interest at 5 per cent per annum, within five years from the date hereof. By order of assembly, the 8th day of May, 1758.”

And those bills, as soon as made, shall be put into the general treasury for the use and purposes above mentioned, and shall be received from thence for paying the expenses of the present or any other expedition, at the value aforesaid; and that one milled dollar shall, at all times hereafter, be taken in lieu of six shillings of those bills; and the bills so to be made shall be caused to be printed with such devices on the backs and borders as shall be thought fit, and signed and put into the treasury by Jabez Bowen, Jeremiah Lippit, Joshua Babcock, Benjamin Nichols, and Joseph Clarke, Esq'rs, or any three of them.

And for the calling in and redeeming the bills to be

emitted in consequence of this act, be it further enacted, That a rate or rates be assessed on the inhabitants of this colony in such time that it may be collected and brought into the treasury in due season to redeem the whole of the said bills, together with the interest arising upon the same, within five years from the day of their dates; and that the whole of the rate or rates to be made for that purpose shall be made in the same bills now ordered to be emitted, or in silver at the rate of 6s. 9d. for every ounce, or in gold at a proportionable value, or in milled dollars at the rate aforesaid: and the gold and silver by those means drawn into the treasury, shall be immediately applied to redeem the outstanding bills to be by this act emitted."

In the year 1759, for defraying the expense of the men raised for his majesty's service in the same year, the colony issued £20,000 in bills of the same tenor and of equal value with those emitted the year before; and these bills have been wholly called in and burnt.

In the year 1760, for the same purpose, the colony issued £27,000 in bills in the same manner. These bills are redeemable within the next year from this time and provision is already made for bringing in £10,000 thereof, including interest, but the colony is not able to sink the remainder by the time it ought to be sunk, any otherwise than by taking up money upon loan for redeeming the bills.

Lastly: in the year 1762, for the carrying on the war, the colony issued £13,000 in bills in the same manner, which will be redeemable in the year 1767.

The whole of the bills emitted on this plan have at al

times fully kept their value, their only defect seeming to be that they carry too high an interest, which occasions their being hoarded, and thereby not answering the end of a medium.

By this state it appears that there are now circulating in this colony in bills issued for carrying on the war £40,000, equal to £30,000 sterling, about two-thirds of which sum must be called in and sunk in a year, after which £13,000 only of the bills issued for the expense of the war will be circulating; these, together with the small remainder of old tenor bills that will be outstanding, will come to a final end in the year 1767.

Besides the bills emitted as aforesaid, this colony is largely in debt for money hired of private persons during the course of the war; and this debt is the greater because it has received nothing for its expenses incurred in support of the war in the year 1756, which was reimbursed the other colonies by parliament.

In a colony where the constant demand for remittances to the mother country makes it impossible for silver and gold to continue, what will be the medium and instrument of commerce where paper bills are at an end, we know not.

This is a true state of the paper bills of credit in the colony of Rhode Island, and is humbly submitted to your lordship's consideration by the governor and company thereof.

Rhode Island, Oct. 30, 1764.

And the foregoing state of the paper bills of this colony being duly considered, it is voted and resolved, that the

same be and hereby is approved, and that his honor, the governor, be requested to sign and transmit two copies of the same to the lords commissioners for trade and the plantations, by the first opportunities.

It would seem that a petition had been sent to England to endeavor to get the charter recalled. The assembly request their agent to procure and send them a copy of it and the names of the signers.

Table of Depreciation of Colony Currency in New England.

	Exchange with London in old tenor.	1 oz. Mexico silver.
*1702, ¹	£133	6s., 10½d.
*1705,	135	7s.
1711, ²	140	
*1713, ³	150	8s.
*1716,	175	9s., 3d.
*1717,	225	12s., 0d.
*1722,	270	14s., 0d.
*1728,	340	18s.
*1730,	380	20s.
*1737,	500	26s.
1739, ⁴		27s.
1740, ⁵	525	

¹ Those marked with a * are from a table in the work of Dr. Douglas, i, 494.

² Fixed at 140 by Mass. legislature. Douglas, i, 310.

³ Very little specie left in the country. — *Hutchinson*.

⁴ Fixed at 27s. old tenor by act of emission of R. I.

⁵ Anderson, quoted by Gouge.

RHODE ISLAND PAPER MONEY.

	Exchange with London in old tenor.	1 oz. Mexico silver.	Spanish dollar, in old tenor.
*1741, ¹	550	28s.	
1744, ²	596		
*1745,	650		
*1748, ³	1,000, 1100		
*1749,	1,100	60s.	
1750, ⁴	1,100		
1751, ⁵			
1751, ⁶			
17 $\frac{5}{8}$ 1, ⁷	£4.		
1761,			£7.
1763,			8.
1769, ⁸			

CONTINENTAL MONEY.

Issues according to Estimate of Register of Treasury, 1690.

	Old Emission.
	Dollars, 90ths.
1776,	20,064,464 66
1777,	26,426,333 01
1778,	66,965,269 34
1779,	149,703,856 77

¹ May. Bills of the last R. I. emission to pass one for four of old tenor.

² Committee gave 596 old tenor for £100 for colony agent—gold dust £24 pr. oz.

³ Douglas, 1. 310. Date of peace.

⁴ Bills on London sold by R. I. Committee. £275 new tenor, or £1100 old tenor, or £137 10s. made=£100 sterling by act of emission.

⁵ June. Valuation amended. 64s. old tenor or 16s. new tenor to be equal to 1 oz. coined silver sterling alloy.

⁶ Aug. Spanish milled dollar fixed at 56s. old tenor.

⁷ Dr. McSparran. Failure of Dep. Gov. Whipple.

⁸ Feb. May. 6s. lawful money=£8 old tenor in paying a tax.

	Old Emission.	New Emission.
	Dollars, 90ths.	Dollars, 90ths.
1780,	82,908,320 47	891,236 80
1781,	11,408,095 00	1,179,249 00
	<hr/> \$357,476,541 45	<hr/> \$2,070,485 80

The first emission was dated May 10, 1775, but were not in circulation until some time afterwards. The first nine millions passed at par. They afterwards depreciated greatly. The bills ceased to circulate as money on May 31, 1781, but were afterwards bought up on speculation at from 400 to 1000 for one.

The depreciation in Philadelphia seems to have kept ahead of the rate in the other states. Thus, December 25, 1779, the exchange was thirty-five for one in New England and New York and forty for one in Pennsylvania and Virginia. The rates in Virginia followed close on to the rates of Philadelphia. The money circulated readily even when the exchange was two hundred for one.

Webster estimates the whole circulation of the thirteen states, just before the revolution, at \$12,000,000, or perhaps not more than 10,000,000 hard dollars actual value, of which at least two-fifths in all the states was specie.—*Am. Almanac*, 1830. *Peletiah Webster's Essays*, 1790. *Gouge*, p. 25.

The following table exhibits the rate of depreciation of Continental money. The rate at Philadelphia is taken from Mr. Gouge's work.

	Specie value in Philadelphia.	Legal scale in Rhode Island.
1777, Jan.,	125	105
Feb.,	150	107
March,	200	109
April,	250	112
May,	250	115
June,	250	120
July,	300	125
Aug.,	300	150
Sept.,	300	175
Oct.,	300	275
Nov.,	300	300
Dec.,	400	310
1778, Jan.,	400	325
Feb.,	500	350
March,	500	370
April,	600	400
May,	500	400
June,	400	400
July,	400	425
Aug.,	500	450
Sept.,	500	475
Oct.,	500	500
Nov.,	600	545
Dec.,	600	634
1779, Jan.,	700, 900	742

	Specie value in Philadelphia.	Legal scale in Rhode Island.
1779, Feb.,	1,000	868
March,	1,000, 1,100	1,000
April,	1,250, 2,200	1,104
May,	2,200, 2,400	1,215
June,	2,200, 2,000, 1,800	1,342
July,	1,800, 1,900, 2,000	1,400
Aug.,	2,000	1,630
Sept.,	2,000, 2,800	1,800
Oct.,	3,000	2,030
Nov.,	3,200, 4,500	2,308
Dec.,	4,500, 3,800	2,593
1780, Jan.,	4,000, 4,500	2,934
Feb.,	4,500, 5,500	3,322
March,	6,000, 6,500	3,736
April,	6,000	4,000
May,	6,000	6,200
June,	6,000	6,800
July,	6,000, 6,500	
Aug.,	6,500, 7,500	7,000
Sept.,	7,500	7,100
Oct.,	7,500, 8,000	7,200
Nov.,	8,000, 10,000	7,300
Dec.,	10,000	
1781, Jan.,	10,000	
Feb.,	10,000, 12,000	
March,	12,000, 13,500	
April,	13,500, 20,000	7,600
May,	20,000, 50,000	May 15, 8,000
May 30,		16,000

Value of Trade between Great Britain and New England.

	Imports to Great Britain.	Exports from Great Britain.
1701,	£32,656 7s. 2d.	£86,322 13s. 11½d.
1710,	£31,112 17s. 7½d.	£106,338 6s. 4d.
1720,	49,206 12 6	128,767 2 11
1730,	54,701 5 10	208,196 5 5
1740,	72,389 16 2	171,081 2 5
1750,	48,455 9 0	343,659 6 8
1760,	37,802 13 1	599,647 14 8
1770,	148,011 14 9	394,451 7 5
1773,	124,624 19 6	526,055 15 10

Value of trade between Great Britain and the colonies of Carolina, Georgia, New England, New York, Pennsylvania, Virginia and Maryland.

	Imports to Great Britain.	Exports from Great Britain.
1701,	£309,136	£343,828
1710,	246,816	293,662
1720,	468,190	319,705
1730,	662,586	536,862
1740,	718,418	813,384
1750,	804,770	1,313,076
1760,	761,101	2,611,766
1770,	1,015,538	3,725,575
1773,	1,369,232	1,979,416

Am. Almanac, 1830.

NOTE TO PAGE 104.

In addition to the circumstance here noticed, that the old bills of credit depended only upon the good faith of the government, while the bills of the present incorporated banks are bottomed upon actual property, and payment, if refused, can be compelled by process of law, it should be considered that the bills of credit were made a legal tender, in most cases, in payment of debts, while no one is obliged to take the bills which are now issued, and their circulation is a matter of convenience and choice. The superior safety of the modern system is apparent at once.

REPORT
ON THE
RHODE ISLAND REVOLUTIONARY DEBT.

To the honorable general assembly of the state of Rhode Island and Providence plantations, at their January session, to be holden in Providence in the year of our Lord one thousand eight hundred and forty seven.

The undersigned, commissioners appointed at the January session of the general assembly, A. D. 1846, "to inquire into and report upon the history and character of the registered state debt of this state, and to report the substance of all the past acts and proceedings of the general assembly upon the subject of said debt, and all other information which may be obtained relative to said debt, to the end that it may be ascertained whether this state is legally or equitably bound to pay said debt or not," would respectfully submit the accompanying report:

The claims in question have grown out of the great expenditures which this state, from its exposed situation, was obliged to make in the war of the revolution.

The following report of a committee of the assembly made at October session, A. D. 1783, shows the amount of the state debt at that time to have been £123,829 15s. 11d., besides about £20,000 outstanding of this state's portion of Continental money; and it also shows in what manner a great part of it originated.

STATE DEBT,

As near as a Committee could ascertain it, October, 1783.

R. I. College.....	£1345	11s.	3d.
S. Ayrault.....	502	1	1
E. Richardson.....	664	14	3
Heirs of D. & E. Lawton.....	815	15	5
F. Brinley.....	1100	0	0
J. M. Nichols.....	52	7	0
A. Barker.....	125	9	2
A. Waterman.....	15	8	11
B. Slack.....	12	15	5
23 notes issued by order of assembly 1782 and 1783.....	1370	4	0
81 notes issued to soldiers 1782 and 1783,	3942	14	11
178 notes to officers and soldiers.....	6456	6	7
Creditors of forfeited estates.....	1991	17	11
Lawful money bills of June, 1780, out- standing	3676	2	5
Interest on do	691	12	0
£40,000 of six per cent notes, of which £3,950 has been received for taxes, leaves.....	£38,815	0	0
5 per cent depreciation.....	1,940	15	0
	36,874	5	0
Interest.....	9,411	5	5
	46,285	10	5
£50,000 of 4 per cent notes issued, part received for taxes outstanding.....	£42,812	8	0
Deduct 12 per cent.....	5,177	8	0
Carried forward,.....	37,635	0	0

Brought forward,.....	37,635	0	0
Interest.....	9,731	10	5
	<hr/>		
	47,366	10	5
Of 107 certificates of C. Hol-			
dens, £16,260 12s. 2d.,			
there is outstanding.....	5,054	14	7
Due Col. Olney on two orders on the Treas-			
ury.....	5,350	0	0
	<hr/>		
	£123,829	15	11
Outstanding of this state's proportion of			
the new Continental money.....	19,922	2	0

MARCH, 1787, the following report was presented to the assembly, showing the amount of the state debt at that time to be £153,047 15s. 7d., and specifying the various objects for which the notes were given.

MARCH, 1787. The following report was presented unto this assembly, to wit:

“Whereas the subscribers were, by the honorable general assembly of said state at their session held at Providence in October last, appointed a committee to inquire into the state of the debts due from this state, to all persons whosoever, and in what manner and for what consideration the same originated, and to report the facts and the remedies proper to be applied to the evils that might be investigated, if any, to the next session of assembly: Therefore, having met at Newport and inspected into the amount of the debts due from this state to all persons whosoever, and also how the same originated, and having investigated some evils, do report: That there hath been issued by the general treasurer,

RHODE ISLAND PAPER MONEY. 163

1180 notes for consolidated state money..	£13,901	10s.	3d.
124 notes under special acts.....	14,092	13	11
137 notes to 3 years' soldiers for de-			
preciation	5,870	6	0
82 notes for C. Holden's certificates			
and funded money.....	6,077	3	6
341 notes to the soldiers of the R. I.			
Regiment.....	11,190	0	10
566 notes to redeem the six per cent			
notes, which notes have undergone			
the operation of the scale,.....	50,665	3	1
82 notes to creditors of absentees' estates	5,179	13	6
	<hr/>		
	£106,976	11	1
	46,071	4	6
	<hr/>		
	£153,047	15	7

Upon the notes which were issued for the redemption of the six per cent notes, we beg leave to observe, that although they were not made a tender in law, yet they were issued in the time of the late war, and were, when issued, as we apprehend, worth no more than paper money, which did depreciate, and large sums perished in the hands of the possessors; and we are of opinion that it is a hard lot for the greater part of the inhabitants to suffer the whole loss on their part, and be obliged to make good the depreciation to others, when the whole originated from one common cause in which all were embarked.

And that, on the twenty-fourth day of March, Anno Domini one thousand seven hundred and eighty-two, two thousand four hundred and sixteen notes were issued by

the general treasurer, amounting to forty-six thousand and seventy-one pounds four shillings and six pence, for the redemption of four per cent notes, which were issued by an act of the general assembly in February and March, Anno Domini one thousand seven hundred and seventy-seven, and made a lawful tender in the same manner as the state's money, and were, in fact, of no more value than the same amount in the continental currency; but notwithstanding which, these notes were consolidated by the scale of depreciation, back to the time they were finished issuing, it being the twenty-fourth day of March, Anno Domini one thousand seven hundred and seventy-seven, when, in our opinion, they ought to have been reduced by the scale of depreciation, at the time the continental bills ceased to be a currency, for the following obvious reasons, to wit:

These notes were originally received out of the general treasury, the same as Continental bills, and passed the same as such bills, exclusive of the interest; therefore it is our opinion, that the notes which were issued by the general treasurer in lieu of the four per cent notes, ought to be reduced to the depreciated state of forty shillings of said notes to be only equal to one shilling.

All which is submitted to the honorable general assembly by their humble servants.

OLIVER DURFEE,
JOHN SAYLES,
JONATHAN J. HAZARD,
THOMAS JOSLIN,
Committee.

Upon which the following vote passed, to wit :

In the lower house, March sixteenth, one thousand seven hundred and eighty-seven: *Resolved*, that the foregoing report be received, and the consideration thereof referred to the next session of assembly, and that the secretary send a printed copy thereof to each town clerk within this state, as soon as may be after the rising of this assembly, to be by them communicated to the freemen of the respective towns, at the annual town meeting in April next, in order that instructions may be given to the deputies of the several towns by the freemen thereof respecting the same— which instructions are to be presented by the same deputies to the assembly at the next session on the record day thereof.

In the upper house, read March seventeenth, and concurred, with this addition— *That whereas*, some of the holders of the four per cent notes became possessed of the same by delivering to the state or individuals the full value of the same notes as they were when issued, and it would be manifest injustice to deprive them of what is justly their due, therefore, that a committee of three good, judicious, disinterested persons be appointed, that all the holders of said notes may make it appear before them when and how they became possessed of such notes, and at what rate or value they received the same, which proof to be made by some evidence other than their own oath; and that the said committee reduce them to such value as they were when the holders became possessed of the same by consolidating them to the value which the holders received them at, and affixing the value on the

back of each note, which shall be a rule for the general treasurer to discharge the same by.

In the lower house, read the same day and concurred :

By acts passed at June, 1783, Oct. 1783, Feb. and March, 1788, May and October, 1788, and March, 1789, provision was made for paying the whole of the then state debt in the paper money then circulating, and made by law a legal tender; and all those who should refuse to take payment within a prescribed time were to forfeit all claim to payment.

Of the whole amount of the state debt, £152,717, it appears that about £78,897 was brought in and paid in this manner, being a little more than half.

In order fully to understand the question, it is necessary now to consider the several acts passed by congress, after the adoption of the United States constitution, for providing for certain portions of the revolutionary debts and expenses.

By act of congress of August 4, 1790, the following provision was made for the domestic debt of the United States. All claims against the United States of the following descriptions were to be brought in and subscribed to a loan to the United States, and United States stock issued therefor, viz :

Certificates issued by the register of the treasury.

Certificates issued by commissioners of loans in the several states, including certain certificates given to take up continental money.

Certificates issued by the commissioners for settling the

accounts of the quartermaster, commissary, hospital, clothing and marine departments.

Certificates issued by commissioners for adjusting accounts in the several states.

Certificates issued by the late and present paymaster general and commissioner of army accounts.

Indents of interest.

Bills of credit issued by the United States at the rate of one hundred dollars in bills for one in specie.

Under this act a commissioner was appointed in each state to receive the certificates aforesaid, to liquidate and ascertain their specie value, and to issue certificates of United States stock in lieu thereof. And it appears that claims of citizens of Rhode Island, to the amount of \$598,990.98, were subscribed to this loan, and allowed by the general government up to the date of September 30, 1791.

By the same act of August 4, 1790, congress agreed to assume \$21,500,000 of the debts of the several states. The sum of \$200,000 was assumed for Rhode Island, to be received in certificates for debt issued by the state prior to January 1st, 1790. And by the terms of the act no state certificates were to be received which had been issued for any other purpose, except expenditures for services and supplies in carrying on the war or defence of the country. And the amount assumed for each state was to be charged back in settlement of the accounts of the general government and the states. Under this provision it appears that \$344,259.49 were offered to be subscribed in evidence of Rhode Island state debt, and of course, by the

terms of the act, the \$200,000 was apportioned among them.

By acts of October, 1786, and May, 1787, provision had been made by the congress of the confederation, for liquidating and settling the accounts of the several states against the Union.

After the adoption of the United States constitution, congress by act of August 5, 1790, made further provision for the settlement of these balances; commissioners were appointed to liquidate, at their specie value, on principles of equity, all payments between congress and the states. But no claim was to be admitted in the account of any state against the United States, unless the same had been allowed by the state prior to September 24, 1788.

The balances in favor of, or against the several states, were to be ascertained in the following manner. The commissioners were to debit each state with all advances made to it by the Union, and to credit the states with their disbursements for general or particular defence, and advances made by them to the Union. The balance was then struck, and the aggregate of the balances apportioned among all the states according to the rule prescribed by the constitution for regulating representation, and the difference between this apportionment and the former balances, was carried to the debit or credit of each state, as the case might be.

In this manner was it ascertained whether any state had paid more than her proportion of the whole expenses of the war.

Upon these principles the sum of \$199,611 was found

due to Rhode Island, and the stock of the United States issued to this state to that amount.

It appears also that on settlement, balances were found due from the states of New York, Pennsylvania, Delaware, Maryland, Virginia and North Carolina, to the amount of \$3,517,584, which sums, it is believed, have never been paid to the general government up to this day, although congress, by act of February 15, 1799, proposed very favorable terms to them for the settlement of the same.

The following table exhibits the plan upon which these accounts were settled, and the balance found due to or from each state:

ABSTRACT of the balances due to and from the Several States, on the Adjustment of their Accounts with the United States, by the General Board of Commissioners appointed for that purpose, under the several Acts of Congress, for the Final Settlement of the State Accounts, per their Report of the 27th June, 1793.

States	Sums allowed to the credit of the several States, with interest to the 1st January, 1790.	Advances made by the United States to the several States, together with interest to the 1st January, 1790.	Balance due to the several States.	Population of the United States answering to the rule prescribed in the Constitution of the United States.	Proportion of the several States of \$17,660,678, the aggregate amount of the balances.	Sums due to Creditor States.	Sums due by Debtor States.	Proportion of the several States' debts authorized to be funded by the 18th section of the act 4th August, 1790.	Amount of debt funded by each State under the said section.
New Hampshire,...	\$4,378,015 02	\$1,082,594 02	\$3,198,061	\$141,729	\$3,150,000	(c) \$75,035	.....	\$300,000	\$293,595 51
Massachusetts,...	17,964,013 03	6,255,880 03	11,705,733	475,327	10,456,492	(c) 1,248,801	.....	4,000,000	3,981,733 05
Rhode Island,...	3,782,974 46	1,977,008 46	1,805,966	68,446	1,505,755	(c) 269,611	.....	300,000	200,000 00
Connecticut,...	9,285,737 92	3,456,344 92	5,829,493	296,841	5,210,372	(c) 619,121	.....	1,000,000	1,000,000 00
New York,...	7,179,982 78	1,960,031 78	5,219,951	381,590	7,294,797	(c) 3,090,419	.....	1,300,000	1,183,716 69
New Jersey,...	5,342,770 52	1,343,331 52	3,999,440	179,589	3,030,419	(c) 49,030	.....	800,000	685,292 70
Pennsylvania,...	14,137,076 22	4,090,686 22	9,446,390	432,879	9,523,069	(c) 1,221,849	.....	2,300,000	777,883 48
Delaware,...	789,319 98	229,898 98	609,421	55,540	1,221,849	(c) 151,640	.....	300,000	56,292 65
Maryland,...	7,598,145 88	1,591,031 88	5,975,514	278,514	6,127,154	(c) 100,879	.....	800,000	517,491 08
Virginia,...	19,085,951 51	3,805,416 51	15,283,565	699,395	15,283,444	(c) 501,082	.....	3,500,000	2,934,443 29
North Carolina,...	10,437,586 13	3,151,368 13	7,276,228	383,523	7,777,310	(c) 1,305,978	.....	2,400,000	1,793,493 85
South Carolina,...	11,523,999	5,780,394 29	5,743,095	206,235	4,597,077	(c) 19,988	.....	4,000,000	3,996,650 73
Georgia,	2,993,800	1,415,328 89	1,578,472	70,842	1,558,484	(c) 19,988	.....	3,000,000	246,080 73
	\$114,409,303 10	\$36,742,625 10	\$77,666,678	\$3,530,393	\$77,666,678	\$3,517,584	\$3,517,584	\$31,500,000	\$10,371,814 74

TREASURY DEPARTMENT, Register's Office, February 9, 1831.

T. L. SMITH, Treasurer.

We now return to the history of the legislation of this state respecting the claims against it.

By the provisions of the act of congress assuming \$200,000 of the debt of this state, those holders of the state debt who had refused to come in and receive their payment, were placed in a more favorable situation than those who had brought them in and received payment in a depreciated paper money, as the former were now enabled to subscribe them to the United States loan.

The history of these proceedings will be made plainer when we recollect that about this time the division of political parties was into a paper money party, who were opposed to the adoption of the United States Constitution by this state, and to the funding system, and the opposite party opposed to issues of paper money by the state, and in favor of the Constitution of the United States.

In order to relieve as much as possible those who had so far complied with previous acts as to come in and take payment in paper, and to place them (so far as the legislature could) upon equal terms, they passed the following act for reviving all state securities which had been declared forfeited, and for reissuing all those which had been paid in paper money, scaling down the payments in paper to their specie value.

JUNE SESSION, 1791.

An act relative to certain Securities heretofore granted by this State, and for repealing certain Acts of the Legislature of this State hereinafter mentioned.

Whereas, during the war between the United States of

America and the kingdom of Great Britain, this state, from its imminently exposed situation and its great exertions in support of the war for the common defence, in raising and keeping up its quota of troops in the federal army, and from the long continued depredations of the enemy (a powerful army of whom were nearly three years in possession of the Capitol and of the whole island of Rhode Island, during which time they overrun and burnt several of our towns,) was subjected to the unavoidable necessity of incurring great and heavy charges, whereby the debt of the state was greatly accumulated, insomuch that after the close of the war it became impracticable for the state, in the then scarcity of specie, to discharge the same in the usual mode by taxes in specie.

And whereas, to facilitate the payment and discharge of the said securities paper bills of credit were issued, pursuant to an act of the legislature of said state, passed at their session in May, A. D. 1786, which the holders and proprietors of the said securities were required to receive from time to time in payment and discharge thereof, on the penalty of forfeiting the same — and many of the said holders and owners of the said securities in compliance with the said several acts of the legislature before mentioned, received the said paper bills of credit for their said securities or part thereof, when the same had greatly depreciated, which were endorsed on many of the said securities at different times, in quarterly payments of the nominal amount of the said securities, some having received the whole nominal amount in the said bills of credit, while others not complying with the requisitions of the

said acts, did not receive any part of their said securities in the said bills of credit: And whereas, at the second session of the congress of the United States, begun and held at the city of New York, on Monday the fourth day of January, A. D. 1790, by an act passed on the fourth day of August in the same year, entitled "An act making provision for the debts of the United States," it was provided that certain description of the debts of the several states therein mentioned, within the *purview* and meaning whereof are the greatest part of the before mentioned securities required to be discharged by the said paper bill of credit of this state as aforesaid, and the sum of two hundred thousand specie dollars was by said act of congress assumed to be paid by the United States as part of the debt of this state, required by the act of the legislature of this state to be paid by the said paper money bills as aforesaid, which said bills having gradually depreciated, to the discount of fifteen for one, compared with gold and silver coin, at which rate they are finally to be discharged, agreeably to an act passed by the legislature of this state in October, in the year of our Lord 1789, so that without the interposition of this general assembly, very great and manifest injustice will be done to those who received the said paper money bills in a state greatly depreciated for their said securities; therefore, that equal justice may be done, as well to those who received the said paper money bills for their securities respectively as before mentioned, agreeably to the requisitions of the laws of this state, as to those who did not comply with the said requisitions.

Be it Enacted by this General Assembly, and by the Authority thereof it is hereby Enacted:

That all the acts, laws and resolutions of the legislature of this state, passed at different times between the first day of September, A. D. 1786 and the first day of January, A. D. 1790, requiring the holders and owners of the said securities to bring them into the general treasury, and to receive the said bills of credit in payment and discharge of the said securities so far as the said several acts, laws and resolutions declare and enact that the said securities should become null and void and of no effect, in case the same should not be brought into the general treasury, and the said bills received in discharge thereof, within certain limited periods, be and the same are hereby repealed:

Provided, nevertheless, and the aforesaid acts, laws and resolutions, declaring said securities to be null and void and of no effect, *are repealed on this express condition*, that this state *shall not in any case or event whatever, be held or obliged to pay on any of the said securities, either the principal or interest thereof*, on any other terms than those which are proposed to subscribers to the loan of state securities, agreeably to the act of congress passed in August, 1790, entitled "An act making provision for the debt of the United States."

And by other sections, the general treasurer was ordered to redeliver out of the treasury all the state securities which had been paid in paper money, first ascertaining the actual specie value of the payments which had been made in paper, and endorsing it thereon.

But it seems that the United States commissioners refused to receive these redelivered notes in subscription to the United States loan.

The following extracts from a message from Governor Arthur Fenner to the general assembly, at October session, A. D. 1791, confirm the view we have before given of these measures.

“These considerations, gentlemen, will, therefore, sufficiently apologize, if apology is necessary, for my soliciting your attention to the peculiar situation of the public debt of this state — a matter highly interesting to our constituents. This debt was wholly incurred during the late war with Great Britain, in the common defence of the nation. After peace took place it was found, by experience, impracticable to discharge it in the ordinary mode of taxes, in gold and silver; recourse was had to paper money; this was issued in the year 1786. The holders of the state securities were required to receive it on penalty of forfeiting the whole amount of their respective demands. Owing to the unhappy division that prevailed it suffered an unusual depreciation; but payments in the paper bills were made to nearly the amount of seventy-nine thousand pounds, and securities to the amount of about forty-eight thousand pounds were lodged in the general treasury in consequence of the requisitions of the legislature for bringing them in for the paper money. The specie value of the payments thus made in the paper money was only about one sixth part, or perhaps less, of the nominal value, from the great depreciation of the paper money, and its circulation in different states of depreciation; but finally,

at the rate of about fifteen for one, it became indispensably necessary for the legislature to interpose; and, as an appreciation of the money to par in the hands of those who had received it in the greatly depreciated state, would have been productive of as much, or perhaps more, injustice than its depreciation, if it had been possible to have accomplished it, the legislature had no recourse, no measure they could adopt but to arrest it as it was; to repeal the tender, and declare that it should finally be redeemed at the rate of fifteen for one, and an act for this purpose was passed in October, 1789. In August, last year, the national legislature assumed twenty-one millions five hundred thousand dollars of the debt of the several states, including in the assumption two hundred thousand dollars of the debt of this state; and as the sum assumed is charged by the United States to the state from which it is assumed, if the legislature had not interposed, those who did not comply with the requisitions for receiving the paper money would have received the whole benefit of this assumption, and a realization of the greatest part of their securities, while those who did comply would not only lose above five-sixths of their demands, but must have contributed their full proportion to the paying the whole amount of the securities which had been confiscated as before mentioned. For the relief, therefore, of this numerous class of our fellow-citizens, and in order that equal justice might be done, an act was passed at the last session directing the general treasurer to ascertain the real specie value of the payments made by the state in paper money, by a scale of depreciation, and to endorse the amount

on the securities which had been lodged with him, and, on application, to deliver them to the proprietor in full expectation that those would have been assumable equally with those on which no part had been paid, or those on which only partial payments were made in the paper money.

“But the commissioner of the loan office in this state having refused to receive them in payment of the subscription to the loan of two hundred thousand dollars, offered by congress to those holding the securities of this state; and, as there is a large surplusage of the securities against this state, even of those which were admitted as receivable, more than the amount of the sum already assumed by congress.

“It is, therefore, necessary that proper measures should be devised, adopted and pursued for doing equal justice and making satisfaction to those holding securities against this state. And, as the United States have already assumed twenty-one millions five hundred thousand dollars of the debts of the respective states, which must now be discharged by the nation at large, and as the proportion of this state of the sum assumed as aforesaid, reckoning the state at only a fiftieth part of the confederacy, at which it has been usually estimated, would have been four hundred and thirty thousand dollars; and as more than the whole of this last mentioned sum is due from this state to individuals, for their service and expenditures in the late war, and as congress possess the principal source of the revenue of this state, from which they draw a much larger proportion of the national revenue than a fiftieth part of the whole amount; and as the people of this state, from

their great and unremitted exertions in the war, ought to share an equal proportion of the blessings to be derived from our national independence, which they cannot do if left to struggle under the burthen of great debts, incurred in consequence of the war for general defence; and as it will be extremely distressing to the good people of this state, if not even impracticable for the making provision for paying that part of the state debt still unassumed without having recourse to impost and excise, difficult perhaps to arrange without interfering with those already laid by congress, I take the liberty to submit to the consideration of the two houses of the legislature the propriety of the general assembly's laying before congress a memorial representing the great injustice done to this state in the apportionment of the sum already assumed from the several states, and the peculiar hardship of our being left incumbered with a debt incurred for the common benefit of the nation, whilst the other states have many of them been entirely relieved from their state debt by the assumption; and some of them not only relieved but furnished with the means of drawing large sums of money from the national revenue for their own peculiar benefit.

“ But, in order to enable congress to do justice to the state, it is necessary that they should be informed of the amount and peculiar situation of the debt of this state; and there are stronger reasons for an assumption of the remainder of all the debts of the states respectively incurred by the late war than for what has already been assumed, because some states are placed thereby in very eligible circumstances, whilst others are left in distress

from the burthen of a debt resting upon them, when their resources, from imposts and excises, are occupied by the general government."

The governor's message was referred to a committee, upon whose report the following memorial to congress was adopted by the assembly :

To the Senate and Representatives of the United States in Congress assembled.

The legislature of the state of Rhode Island and Providence plantations, respectfully solicit the attention of the legislature of the United States:

The state, for whose particular welfare we are chosen to provide, was, from its local situation, peculiarly exposed during the late war to the incursions and depredations of the enemy, from the want of an efficient national government at that time, and the command of national resources — those attacks of the enemy were necessarily left to be repelled chiefly by the military operations carried on under the direction and at the expense, in the first instance, of the state.

By reason hereof, this state incurred a much larger debt than perhaps any of her sister states, in proportion to her estimated rate in the valuation of the United States.

The demands of these creditors are, in fact, demands against the United States, for whose use and on whose credit ultimately the supplies were advanced. The states were, however, at that time, in full possession of all the resources of revenue, since surrendered into the hands of the nation. At the time of yielding up those resources,

the good people of this state were led to believe that they did not part with them as means of extinguishing their debts, but only put them into the hands of the nation for the common and equal benefit of all its creditors.

When the measure of assuming the states debts was agitated in congress, relief was expected from the very unequal distribution of the public revenues among the public creditors, which would have been the result of making prompt payment of interest to some, and leaving others to look up to states, exhausted by the war and divested by a voluntary surrendering of their most productive resources ; but when, in the result of that measure, the assumption from the different states was so disproportionate to the demands of their actual circumstances, the minds of the people were led to hope that the wisdom and justice of the nation would speedily induce a further deliberation on the same subject.

To discriminate among creditors whose demands are equally founded on supplies rendered or services done for the common defence and general welfare of the United States, may have been necessary as a temporary measure of accommodation ; but, so far as we have been able to view this subject, no substantial reason hath been discovered against adopting every practicable measure to circulate the justice of the nation commensurately with its protection and the allegiance of the citizens.

Notwithstanding the relief of this state by the late assumption of two hundred thousand dollars, there yet remains demands against the state in the hands of individuals, chargeable to the United States, of.....for the pay-

ment of which, the United States have not made, nor is this state able to make, any adequate provision.

After having made this representation in behalf of this state and the creditors of the public who look up to us for their payment in the first instance, we shall seem to have discharged the duty we owed to our constituents, and shall wait the result of your deliberation on this subject, with unshaken confidence in the wisdom and integrity of the councils of the United States

At January session, A. D. 1795, the treasurer reported to the legislature that he had received from the United States certificates of funded stock for the balance due this state and the interest thereon, viz :

Stock with 6 per cent interest from Jan. 1, 1795,	\$199,740 67
do do Jan. 1, 1801,	99,870 33
	<hr/>
	\$299,611 00
do with 3 per cent interest from Jan. 1, 1795,	59,922 20
	<hr/>
	\$359,533 20

The treasurer also held other United States

stock to amount of	\$35,451 98
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At the same session, an act was passed for transferring this stock to the creditors of the state, and ordering notes given for the balance not so paid.

By this act the following descriptions of state debt were to be brought in within 6 months from February, 10, viz :

Notes issued to officers and soldiers for depreciation of pay.

Notes issued to take up the paper money of 1775 and 1776.

Notes issued to call in and sink any of the last named notes.

Notes issued to call in and sink the four per cent notes.

Notes issued to take up certificates given by C. Holden, commissary of purchases.

Notes for paper money sunk, and money hired before the revolution.

Notes issued to creditors of absentees, whose estates were forfeited.

Notes given to take up the paper money of June, A. D. 1780.

Certificates for balances due on the debt assumed by the United States.

Teaming certificates.

Interest certificates on loan office certificates, and liquidated debt.

Interest certificates on Mr. Chinn's final settlement certificates.

Impost orders for interest on state debt.

Invalid certificates.

The sum of \$420,000 in United States stock was to be apportioned among those who bought in their claims, and notes given for the balance at four per cent. The principles on which interest was to be calculated were fixed by the act.

By act of May, 1795, the following sorts of claims against the state were allowed to be brought in in addition to those before named :

Notes given for stock driven from Rhode Island when the British took it.

Notes given for boats, &c., lost in public service.

Notes given for slaves who enlisted.

Certificates given to troops who served under Capt.

H. Dayton.

Certificates given for troops who served in the militia.

At the February session, A. D. 1797, the general treasurer made his report as follows, upon the subject of the transfer of this stock.

In obedience to two acts of the general assembly, one passed at the session held in January, A. D. 1795, and the other at the session held in June, A. D. 1795, making provision for the transfer of the stock of the United States belonging to this state to the individual creditors thereof, the general treasurer respectfully offers to the legislature the following report, to wit :

544 abstracts issued, composing the following kinds of state debt, in which is included the amount reported at last June session.

316	impost certificates, amounting, with in	
	terest, to	\$7,746 64
490	interest certificates on loan office	
	certificates,.....	do.....11,400 30
202	certificates issued by John Brown,	
	commissioner of loans,.....	do.....14,735 85
155	teaming certificates,.....	do..... 9,821 30
12	Invalid certificates,.....	do..... 716 93
10	certificates for military service,.....	do..... 186 94
7	card notes,.....	do..... 790 42
114	notes issued previous to the late	
	glorious revolution,.....	do.....11,495 99

17	notes for boats and scows, amounting,	
	with interest, to \$938	67
24	notes given for stock driven from	
	Rhode Island,.....	do.....
84	notes for payment of debts due to	
	the creditors of absentees whose	
	estates were confiscated,.....	do.....38,676 29
63	notes for commissary of pur-	
	chases certificates and, June, 1780,	
	money funded on real estate,.....	do.....10,753 84
339	notes for pay and depreciation of	
	pay of the late continental army,	do.....54,875 02
1494	notes for sinking 4 per cent notes,	do.....110,555 26
632	notes for consolidating paper	
	money,.....	do.....31,080 35
293	notes for consolidating securities	
	issued for paper money,.....	do.....63,277 61
		<hr/> \$503,494 66

Disposition of the above debt of \$503,-		
490 75: \$ths issuable in certifi-		
cates for funded stock of Jabez		
Bowen, Commissioner of loans,		
	amount ing to.....	\$419,662 80
1-6th	issuable in state certificates un-	
	provided for,.....	83,932 46
		<hr/> \$503,594 76

According to the act and to this report, the amount of \$419,662.80 was paid by a transfer of United States stock,

and for the remainder notes were given according to the following form prescribed in the act, specifying that it was a balance not provided for by the transfer.

“No. —. *State of Rhode Island and Providence Plantations.*

GENERAL TREASURER'S OFFICE, 1795.

I hereby certify that there is due to of or bearer, from the state of Rhode Island, dollars cents, being a balance not provided for by the transfer of the funded and deferred stock of the United States belonging to this state, agreeably to an act made and passed by the general assembly of this state at their January session, A. D. 1795, which certificates, by order of the said assembly, are to carry an interest of four per cent from the first day of January, 1795, until paid.

(Signed,)

— —, *General Treasurer.*

By the act of June, 1797, two years interest was paid on all the foregoing notes, and on all issued under that act in certificates which were made receivable for taxes.

By the acts of June and December, 1797, and October, 1798, and February, 1802, holders of state securities who had neglected to bring them in within the time limited by the act of January, 1795, were allowed to bring them in and receive state notes for them.

Under these various acts for bringing in and renewing the old notes, it appears, by a report made in February, 1803, the debt then amounted to

446 certificates under act of January, 1795,

being for the balance not paid by transfer

of United States stock, (4 p. c.)..... \$83,892 93

267 certificates under act of June, 1797, (4 p. c.) and two special acts,.....	\$41,941 34
41 certificates under act of February, 1802,	5,749 37
	<hr/>
	\$131,583 64
Interest,.....	31,580 07
	<hr/>
	\$163,163 71

At June session, 1806, by the report, the two first items of the debt remain the same. There are 49 certificates issued under the act of February, 1802, and eight special acts, amounting to

\$9,989 53

And the principal of the whole is

135,823 80

Purchased under two appropriations,

48,179 57

Then due of principal,

\$87,644 23

By various acts of the general assembly, from 1803 to 1820, sums of money were placed in the hands of commissioners to purchase up these old claims, and large amounts of them have been purchased in this way. The following table will exhibit the sums paid at the different times, with the amount of the face or principal of the claims purchased, and the rate per cent upon the face of them, at which they were purchased:

Appropriations made.	Report made.	Amount paid.	Purchas'd of face.	Rate of purchase.
February, 1803.	Oct., 1803.	\$26,123 89	\$34,881 98	75 cents on 100 of principal.
June, 1804.	Oct., 1804.	10,001 08	13,347 59	about 75 cents on 100 of principal.
February, 1807.	Jun., 1807.	7,998 05	10,830 14	about 75 cents on 100 of principal.
October, 1810.	Jun., 1811.	9,805 62	15,555 58	about 63 cents on 100 of principal.
June, 1820.	Oct., 1820.	9,951 89	17,210 23	average 57½ cts. on 100 of principal.
June, 1820.	Purchas'd of Eph. Hart.		3,197 69	66 cents of 100 of principal.
			<hr/>	
			\$94,753 21	

The amount of these evidences of the revolutionary debt now outstanding, the committee believe to be about \$44,000 as near as they can ascertain.

The committee have had several meetings, and have heard all the arguments urged for and against the claims held by the petitioners.

On the part of the holders, it is argued that they hold the notes of the state issued under acts of the legislature, which contain no proviso or condition whatever, and that the state has at several different times (as before mentioned) and without regard to party, recognized their validity by providing for the payment of two years' interest on them all, and for the purchase of the principal, of portions of them, and that the notes themselves were issued after the settlement with the United States.

And they further contend, that the proviso to the act of 1790 means no more than this, that the state should not be held liable to pay them on any other terms than those proposed by congress to the creditors of the United States, viz. at the same rate per dollar.

On the other side, it is urged that they have once been paid — that although paid in a depreciated currency, they have been as well treated as any previous creditors of this state or any other state, who held any of these revolutionary claims — that no one of the states of the Union (as is believed) ever paid its revolutionary debt in full — that the general government of the United States did not do it, and that this state in the appropriations they have made, have purchased them up either as claims of doubtful value, rather than paid them as an acknowledged debt.

And further, that they originated in a time of high prices, caused by a very depreciated paper currency, and therefore, if paid at all, should be scaled down to some equitable proportion; and that if these claims should be paid in full, justice would require that the legislature should make up the full amount to those who have heretofore taken less than the principal of their notes.

And it is further represented by the opponents of the claims, that they are claims of revolutionary origin; that by the act of June, 1791, by which they were revived, they were declared to be revived for the express purpose of being assumed by the United States government, and it was especially declared that the state should not be liable for them in any other manner, as the general government had already assumed a portion of the state debts, and would probably assume and pay the remainder, and especially as this state claimed that a fair proportion of her debt had not been assumed by the act of congress of 1790.

NOTES.

The sums in this report expressed in pounds, are to be changed into dollars, at the rate of 6s. to one dollar, or \$3.33 to the pound.

As the balance due from the United States was allowed to the state *as a* state, and not to individuals, when received it was divided among all the creditors of the state without reference to the origin of their claims.

It may be observed that the proviso in the act of June, 1791, is contained only in the section which applies to the forfeited notes. Whether there was any particular meaning in this, cannot now be ascertained. It may have been the result of carelessness in the drawer of the act. It was anciently the practice for the assembly to vote the substance of a law, and it was afterwards drawn out into shape by the secretary.



HISTORICAL SKETCH
OF THE
Bills of Credit issued by Virginia.
BY
HENRY PHILLIPS, JR.

VIRGINIA PAPER MONEY.

Before the old French war, no bills of credit existed in Virginia, while coin itself, from the frequent occurrence of laws relating to it, would seem to have been of sufficient abundance for the ordinary purposes of trade. An accurate writer¹ has been betrayed into the assertion that before the Revolution no paper money had been issued by this colony.

The earlier currency had consisted in traffic by barter of commodities, wampum and wampumpeage, tobacco and tobacco notes, as well as specie. No great amount of *money* is necessary in a newly settled country, but the inhabitants must have some medium of exchange. The usual conditions of a dependant colonial existence will carry over to the mother state the circulating cash, and will leave the colony thus much denuded and thrown on its own resources.

With nothing except the bills of credit is it the intention of the present sketch to be concerned.

When General Braddock arrived in America, he acquainted Governor Dinwiddie with the pleasure of the king that the several assemblies should raise proportionate sums of money towards his projected expedition. Certain of the colonies complied and furnished their quotas, although we are informed "that the greatest part of the expense was compulsorily borne by Great Britain."²

¹ Wm. M. Gouge in his *Essay on Banking*, &c.

² Sargent's *Braddock Expedition*, p. 54.

In May 1755, "to protect his majesty's subjects from the insults and encroachments of the French" *John Robinson*, Esq., the treasurer of the colony, was directed to issue treasury notes which should bear interest at five per cent, be redeemed by the last day of June, 1756, and should not exceed the sum of *twenty thousand pounds*: the notes were declared to be a lawful tender in the payment of all debts, and the penalty of death, a provision which is contained in the enactment of all their subsequent paper issues, was to be inflicted on those who should counterfeit or alter the notes. All the minor details of form, numbers, amounts, denominations and signers, were left to the discretion of the treasurer.

This money was intended for and applied to the purchase of stores, equipments, provisions, &c., and, for the payment of the troops engaged in the unfortunate enterprise against Fort Duquesne.¹

Emboldened by the ill success of this attempt, the hostile Indians proved of greater annoyance than ever to the colony, and to discharge the bounties offered by the government to those who should kill or capture any of them, a further issue was made in August of *forty thousand pounds*. The same discretion as to details as in the former act was left to the treasurer, with the single exception that three persons were specially appointed to sign and number the bills, whose time of redemption was fixed for the last day of June, 1760.

¹ Pennsylvania contributed £5000

N. Carolina " 8000

S. Carolina " 5714 5s. 8½d.

Maryland " 6000 —Sargents' Braddock Expedition.

Doubtless, the addition of sixty thousand pounds in six months to the circulating medium of the colony must have quickly been attended with apparent good results: this appears from a letter of Governor Dinwiddie to the Earl of Halifax, dated November, 1755, wherein he says: "Our assembly met on the 29th ult. They fell into cabals, and wanted to emit twenty thousand pounds for a loan office to be discharged in eight years, which I thought to be contrary to act of parliament and to my instructions. *I adjourned them.*"¹ This method, copied probably after the example of their royal masters in England, with refractory parliaments, was one of the simple, easy and expeditious remedies made use of to convince the inhabitants of the various colonies of the inexpediency and impropriety of their demands; but, unfortunately for the governors, and even for the crown itself, not always the most efficacious plan.

After another issue of paper money, it was manifested that it was prejudicial to use a medium which bore interest, as by that means notes of different values, though nominally of the same, were in simultaneous circulation. Accordingly, in April 1757, it was ordered that the bills issued under the last two acts, should have their term of currency shortened to the last day of December, 1759, and in their stead, the treasurer was directed to emit eighty thousand pounds in notes of specified amounts, the act for the first time giving full particulars and details. Alternates were also permitted to be appointed by the treasurer in case of the absence or death of those designated by the

¹ *Washington's Letters.* Edit. Sparks.

act to be the signers of the bills, due public notice of such alteration having been given three weeks previously by advertisement in the Virginia Gazette.

On the persons who should exhibit any foolish preference for gold or silver over these paper promises to pay, or who should refuse to sell their goods for the notes at their nominal value, a penalty of twenty per cent additional to the value of the commodities is inflicted by the act. Towards a draft of the militia, which was at the same time ordered, the overplus of the amount now authorized was to be applied, as well as to their organization, support and pay. Soon afterwards,¹ the forces in the service of the colony were increased to two thousand men, and for their support, and also to defray the expense of the bounty of *thirty pounds* offered by the legislature for *every Indian scalp*, a new issue of thirty-two thousand pounds took place, redeemable by the first day of March, 1767. During the next three years the border warfare drove the legislature at various times to the creation of the enormous paper debt of *one hundred and seventy-one thousand pounds*.

The notes in circulation in the colony had different periods of redemption, from which inconveniences were found to flow. In November, 1761, an act was passed to enhance and more effectually secure the credit of the paper money; it designated the 20th day of October, 1769, for the payment of all the treasury notes then outstanding, and appointed a committee to investigate and to report semi-annually, the amount of the notes destroyed by them in pursuance of the provisions of this law.

¹ March, 1768.

Paper money continued to be manufactured by the legislature, and before 1773 seventy thousand pounds additional were issued, the only noticeable fact connected with their creation being the emission of the year 1771, for the purpose of reimbursing sufferers by a severe flood which had devastated many of the public tobacco warehouses.

The notes of Virginia received no more mercy from counterfeiters than did those of the other colonies. The continual threat of death directed against such felons in every new act did not intimidate them. A still more stringent law, passed in 1769, had no effect, as may be seen from the *Pennsylvania Gazette* of February 17th, 1773, which contains the following information:

“WILLIAMSBURG, February 4.

“We hear his Excellency the Governor has directed Expresses to be sent to the several Members of his Majesty's Council, requiring their Attendance next Saturday at the Council Chamber, in order, it is generally believed, to consult with that honourable Board upon the Expediency of calling together the General Assembly, that they may have an Opportunity of taking under their immediate Consideration the present alarming State of our Paper Currency; both of the late Emissions having lately been discovered to be very ingeniously counterfeited, and it is thought have circulated for a considerable Time past, highly injurious to the Trade and Interest of the Country, and of every Individual. Upon their Meeting, there is little Doubt but some effectual Method will be fallen upon to restore the public Credit, as well as to dis-

cover, and bring to condign Punishment, those who have been instrumental in giving it so severe a Shock.

“The Mercantile Body, we are well assured, have it much at Heart to contribute every Thing in their Power for the public Interest, and will use their best Endeavours in discovering the Circulators of this baneful Traffic.”

And that of March 10th, 1773, the following :

“ WILLIAMSBURG, February 25.

“On Tuesday last Captain John Lightfoot arrived in Town from Pittsylvania, having executed the Commission he lately went upon to that County, by Instructions from the Governor, in apprehending and bringing down, under a strong Guard, Benjamin Cooke, Joseph Cooke, James Cooke, Benjamin Woodward, and Peter Medley, informed against by one John Short, formerly an under Sheriff there, who had been concerned with them in counterfeiting and passing the Treasury Notes of this Colony, as also in making and circulating several false Coins, particularly Dollars, Pistoles, and Half Pistoles. They were taken about two o’Clock in the Afternoon, at Work in their Shop, with all their Tools for Engraving, Frames for making Paper, a Rolling Press, Dies for Dollars and Half Pistoles, besides a large Quantity of counterfeit Five Pound Bills, and a Plate for the Forty Shilling Bills. Upon their Arrival they were immediately carried to the Place, and examined by the Honourable Peyton Randolph, Esquire, in Presence of his Excellency the Governor, the Attorney General, and other Gentlemen, who thought proper to order them all to be committed to the public Goal, except James Cooke, nothing criminal appearing against him; and next

Tuesday they will be carried down to York, for a further Examination.

“We hear of several others being committed to different County Goals, upon Suspicion of being concerned in the same Crime; and Gideon Rucker, and Shem Cooke, of Pittsylvania, and John Hightower, and William Hightower, of Lunenburg, are fled, for the apprehending of whom the Governor has been pleased to issue his Proclamation, offering a Reward of Fifty Pounds for each.

“It is hoped that a Nest of the same pernicious Crew to Society, in the Province of North-Carolina, are by this Time apprehended, an Express having been sent to the Governor there, acquainting him of sundry Persons informed against; and thus a Stop be put to the Schemes and Machinations of a Gang of Villains, who would aggrandise themselves upon the Ruins of the Public ”

A special session of the assembly was called for the purpose of taking measures for preserving the credit of the colony bills and for calling in those which had been most counterfeited. The treasurer was directed¹ to redeem the notes of the last two issues with power, if he found himself unable to borrow the money for that purpose, to issue new notes not to exceed thirty-six thousand three hundred and eighty-four pounds. Notes which had been mutilated or defaced were not to be thus redeemed. The new emission was to bear impressed on the back such devices as the treasurer should deem most likely to secure them from counterfeiting or alteration. Hitherto

¹March, 1778

no protection had been extended to the notes of the other British colonies in North America which had circulated, although not a tender, by common consent: they had therefore been counterfeited in security. The penal provisions of the law which protected the issues of Virginia were now extended to those foreign ones.

The notes now issued were to be redeemed on the tenth day of December, 1775, but when this day arrived the colony was in no condition to effect it.

The times were becoming unsettled. The distant thunders of the approaching turmoil were drawing nearer and nearer; soon the storm to burst in all its violence on the unprotected colonies. "Virginia," says our great historian, "was totally unprepared for war. The late expeditions against the Shawanese Indians had left a debt of £150,000; its currency was of paper, and it had no efficient system of revenue."

Marching in the ranks with the other colonies, Virginia called a provincial convention: its first care was to provide money for the troops about to be raised for the defence of the colony. This was done by an issue of three hundred and fifty thousand pounds in bills of credit, to be redeemed by the first day of January, 1784, which were of the following form:

"(Denomination.) (No.)

(——) Current money of Virginia, pursuant to ordinance of convention, passed July 17, 1775."

Further sums being needed, in the subsequent May it was resolved, upon the petition of freeholders praying for an increase of currency, to issue one hundred thousand

pounds, which large sum was in October increased to five hundred thousand pounds.

It soon became evident to congress and to the legislature, that a further increase of the already immense sums of paper money was not desirable; in May, 1777, a United States loan office was established in the state in order, through voluntary contributions, to redeem the amount of bills of credit in circulation and to raise the allotted quota of one million of dollars. At the same time the United States notes, as well as those of the state itself, were made a legal tender at the value expressed on their face, and heavy penalties were denounced on those who should discredit them or exhibit any doubt as to their security of ultimate redemption.

Private individuals appear about this time to have emulated the government in issuing likewise their bills of credit, which the legislature now prohibited under penalty of forfeiture of ten times the amount of such notes, alleging that they uselessly swelled the volume—though *torrent* would have been the better word—of money then in circulation¹.

The assembly did not, however, apply this lesson to their own case, for during one short year thereafter, they issued *four millions of dollars* in paper promises to pay. A small portion of this sum (viz: \$600,000) was applied to the relief of sufferers in the town of Norfolk, who had incurred losses through the visit of Governor Dunmore, accompanied by the British fleet.

In October, 1778, an act was passed purporting to be

¹ October, 1777.

for the more effectually guarding of the bills of credit, treasury notes and loan office certificates, against counterfeiting, "which alarming evil daily increases, and is become so enormous that the most fatal consequences are justly to be apprehended." To remedy this calamity, the English panacea of *death*,¹ which by an earlier² law of the state had previously been denounced, was to be applied, but the results do not appear to have been such as the sanguine (or sanguinary) framers of the act believed they had reason to expect, the remedy not acting more satisfactorily in *Virginia* than it did in the other colonies or in Great Britain itself.

During the ensuing years² the theatre of war shifted to the southern states, and Virginia felt the power of the invaders. Men and money were constantly needed by her; these she supplied by liberal bounties, drafts of the militia, and excessive issues of treasury notes to meet the exigencies of the situation. Taxes were laid, payable in money, tobacco, hemp, or flour, while the provisions, clothing, horses and wagons necessary for the army, were procured by assessments upon the militia divisions, or by forcible impressment. Paper money rapidly fell in value, so that the salaries of the governmental, but *not* the *army*, officers were to be estimated and paid to them in *tobacco*, at values to be fixed from time to time by the grand juries at their various sessions. The pay of the *army* was settled by a depreciation scale prepared and adopted by the assembly.

¹ June, 1776.

² 1779, 1780, 1781.

After more paper money, more counterfeiting and more depreciation, the scales fell at last from before the eyes of the rulers, and the laws were repealed which had been enacted against those who asked for a commodity a higher price in bills of credit than in coin. The continental money, unchecked and uncheckable, rapidly hastening to destruction, continued daily to lessen in value, although the attention of Congress, often directed to it, endeavored in vain by futile expedients to ward off the impending ruin. In March, 1780, a new issue of notes was resolved upon, and all the states were called upon to accept its provisions and to furnish their quotas. Virginia accordingly ordered the issue of the sum designated for its share, viz : \$666,666 $\frac{2}{3}$; it does not appear, however, that the whole amount was emitted. All the old state and continental bills outstanding were directed to be called in and redeemed in the notes of the new emission, at the rate of forty dollars of the old money for one of the new, and at this rate they were declared to be a legal tender for all purposes and payments, and to remain current until the thirty-first day of December, 1786, when they were to be paid together with the accrued interest. They were afterward made a legal tender, and protected from counterfeiters by the usual penalty. From *eighteen to twenty-seven millions of pounds*, a sum much larger than the whole circulating cash of the colonies at the outbreak of the revolution, were soon issued in three instalments. It was now directed¹ that the notes which returned into the treasury should be burnt, except the two issues of

¹ March, 1781.

the last session, hoping by this means somewhat to reduce the flood of paper.

In May, the paper money was declared no longer to be a legal tender, except for debts due to the State and for taxes, which at a later period was limited to those presented by the first day of October, 1782; the holder who had not presented his bills of credit for payment before that time, forfeited forever his interest in them and his right of redemption. The time of presentation was subsequently by several enactments extended to October, 1785.

Loan office certificates were also to be redeemed from their owners at the rate of one thousand for one, and to be paid for in new certificates to mature on the first day of December, 1790.

The following scale of depreciation was adopted:

	1777.	1778.	1779.	1780.	1781.
January,	1½	4	8	42	75
February,	1½	5	10	45	80
March,	2	5	10	50	90
April,	2½	5	16	60	100
May,	2½	5	20	60	150
June,	2½	5	20	65	250
July,	3	5	21	65	400
August,	3	5	22	70	500
September,	3	5	24	72	600
October,	3	5	28	73	700
November,	3	6	36	74	800
December,	4	6	40	75	1,000

Such was the end of the paper currency issued by Virginia. After the close of the war, when commerce settled itself down once more in its accustomed channels, the public voice, already forgetful of the past, began to demand an increase of currency and creation of more paper money. The following extract from an observant French author, although written relative to another state which suffered similarly about the same time, will convey an accurate impression of the condition of society at that period.¹ "This State is ravaged by a political scourge more terrible than either (mosquitoes or fever); it is called paper money. * * * It gives birth to an infamous kind of traffic, that of buying and selling it by deceiving the ignorant; a commerce which discourages industry, corrupts the morals, and is a great detriment to the public. * * * Patriotism is consequently at an end, cultivation languishes, and commerce declines." The insane desires of the inhabitants of Virginia were not in this instance gratified. General Washington, in a letter to the President of Congress, dated at Mount Vernon, August 22d, 1785,² speaks of the project of a further creation of paper money by the state, in these words: "I never have heard, and I hope I never shall hear, any serious mention of a paper emission in this state, yet such a thing may be in agitation. Ignorance and design are productive of much mischief. * * * Those with whom I have conversed on the subject in this part of the state repudiate the idea exceedingly." When such

¹ Warville's *Travels in the U. S.* London 1792.

² *Washington's Letters.* (Edit. Sparks) vol. ix., p. 120.

men as George Washington, George Mason¹ and Richard Henry Lee² threw their influence into the scale against a measure of this nature, it may well be supposed that the proposed creation of paper money never more took place.

¹ *Washington's Letters.* (Edit. Sparks) vol. ix., p. 120. ² *Ib.*

APPENDIX.

A.

A species of paper currency existed in Virginia of too remarkable a nature to be passed over with the mere mention, although it does not strictly belong to the subject of the bills of credit.

Its nature and objects will be best illustrated in the ensuing extracts from the works of those who beheld its full operations.

Marquis Chastelleux¹ says: "The tobacco warehouses, of which there are numbers in Virginia, are under the direction of public authority. There are inspectors nominated to prove the quality of the tobacco brought by the planters, and if found good, they give a receipt for the quantity. The tobacco may then be considered as sold; those authentic receipts circulating as ready money in the country. For example: suppose I have deposited twenty hogsheads of tobacco at Petersburg, I may go fifty leagues thence to Alexandria or Fredricksburg and buy horses, clothes, or any other article with those receipts, which circulate through a number of hands before they reach the merchant who purchases the tobacco for exportation." It will be seen, therefore, that these certificates were representatives of intrinsic value,² and not designed to act as

¹ *Travels in North America.* Dublin 1789, vol. ii., p. 181.

² *Warville's Travels* also refer to this currency.

currency, nevertheless, having an absolute basis of redemption, became the safest circulating medium, and one which, there is reason to believe, continued from an early period almost to the present century.

B.

Catalogue of the Bills of Credit issued by Virginia.

1755, May. £20,000. No particulars specified in the act.

" Aug. 40,000. " " "

To be signed by John Chiswell, John Robinson and Peyton Randolph.

1756, March. £25,000. No particulars specified.

To be signed by John Robinson, Peyton Randolph and Robert Carter Nicholas.

1759, April. £80,000. (Date of note June 8.)

6,000 each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter Nicholas.

30,000 each of 20s., 10s.

To be signed by Benjamin Waller and Philip Johnson.

30,000 each of 5s, 2s. 6d.

To be signed by John Randolph.

33,000 each of 1s. 3d., 1s.

To be signed by Edmund Pendleton.

1758, March. £32,000. No particulars specified.

To be signed by Peyton Randolph and Robert Carter Nicholas.

1758, Sept. £57,000.

2,250 each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

15,000 each of 20s., 10s.

To be signed by Benjamin Waller and Philip Johnson.

25,000 each of 5s., 2s. 6d.

To be signed by John Randolph.

20,000 each of 1s. 3d.

To be signed by Edmund Pendleton.

1759, Feb. £52,000. (Date of note March 5.)

2,000 notes each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

15,000 each of 20s., 10s.

To be signed by Benjamin Waller and Philip Johnson.

20,000 each of 5s., 2s. 6d.

To be signed by John Randolph.

17,778 each of 1s. 3d.

17,777 each of 1s.

To be signed by George Braxton.

1759, Nov. £5,000. No particulars given.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

1760, March. £20,000.

1,800 notes of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

5,333 each of 20s., 5s.

5,334 each of 2s. 6d.

To be signed by John Randolph.

1760, May. £82,000.

1,700 each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

7,000 each of 20s., 10s.

To be signed by Benjamin Waller and Philip Johnson.

7,000 each 5s., 2s. 6d.

To be signed by John Randolph.

16,664, each of 1s. 3d.

16,663, each of 1s.

To be signed by George Braxton.

1762, March. £30,000.

2,000 each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter
Nicholas.

5,000 each of 20s., 10s.

To be signed by Benjamin Waller and Philip Johnson

6,700 each of 5s.

6,600 each of 2s. 6d.

To be signed by John Randolph.

1769, Nov. £10,000. No particulars specified.

To be signed by Peyton Randolph and John Blair. jr.,

1771, July. £30,000. No particulars given.

Same signers.

1773, March. (Date of note March 1st.) £86,384.

No particulars are given. Same signers.

(An issue dated April 1st, 1773, exists, (£1, 3, 5, 8, 12,) for which no law can be found.)

1775, July. (Date of note July 17,) £350,000.

50,000 notes of 2s. 6d.

To be signed by Henry King.

50,000 notes of 1s. 3d.

To be signed by John Pendleton, Jr.¹

The residue to consist in notes of.

20s., 2l. 3l.

To be signed by Philip Johnson and Benjamin Tazewell.

12s. 6d., 10s., 5s.

To be signed by Josiah Parker and Joseph Lyne.

1776, May. (Dated May 6.) £100,000.

1,000 notes each of £4. 3l. 2l. 20s.

10,000 notes, each of 12s. 6d., 10s., 7s. 6d., 5s.

To be signed by Richard Morris and George Seaton.

13,333 notes, each of 2s. 6d.

To be signed by John H. Norton.

13,334, each of 1s. 3d.

To be signed by John Dixon.

The residue to consist in *dollars* or *parts of a dollar*: all of two *dollars* and *upwards* to be signed by *Richard Morris* and *George Seaton*: the rest by *John Carter Littlepage*. (\$4. \$5 known to exist.)

1776, July. £100,000. (Resolution Provincial Convention.) Same denominations and signers as last issue.

October. (Date Oct. 7th.) £400,000. No denominations, &c., given. (\$ $\frac{1}{2}$, $\frac{1}{4}$, $\frac{2}{3}$, 1, 4, 5, 6, 8, 10, 15, *known to exist*.)

1777, May. (Dated May 7th.) \$1,000,000. No denomination, &c., given. (\$ $\frac{1}{2}$, $\frac{1}{4}$, 1, 6, 8, 10 *known to exist*.)

Oct. (Dated October 20th.) \$1,700,000. No denom-

¹ A bill of 1s. 3d. exists, signed by Edmund Randolph, who was afterwards Attorney General of the United States under General Washington.

² A note of Oct. 1777 is in existence, signed by B. Dicksing and I. Rhea.

- ination, &c., given.² To be signed by George Webb. (\$1, 1, 2, 1, 4, 5, 6, 8, 10, *known to exist.*)
- 1778, May. \$6,000,000. (Dated May 4.) No denominations, &c., given. (\$1, 1, 2, 1, 3, 4, 5, 6, 7, 8, 10, 15, *known to exist.*)
- 1778, Oct. 5th. \$1,700,000. No denominations, &c., given. (\$1, 3, 7, 10 *known to exist.*)
- 1779, May. 3. £1,000,000. No denominations, &c., given. (\$3, 7, 9, 15, 100 *known to exist.*)
- 1780, May 1. \$666,666 $\frac{2}{3}$. (Resolution of Congress March 18, 1780.) \$1, 2, 3, 4, 5, 7, 8, 20. To be countersigned for the *United States* by Charles Henning and Forster Webb. State signers not given.
- July 14. £2,000,000. No denomination, &c., given. (\$31, 62, 10, 131, 15, 20, 35, 45, 55, 60, 80, 100, 200, 300, 400, 500, *known to exist.*)
- 1780, Oct. 16. £6,000,000 to £10,000,000. No particulars given. (\$50, 100, 200, 300, 400, 500, *known to exist.*)
- 1781, March 1st. £10,000,000 to £15,000,000. No particulars given. (\$20, 50, 80, 100, 150, 200, 500, 1000, *known to exist.*)
- May 7th. £20,000,000. No particulars given. (\$10, 15, 25, 30, 35, 40, 50, 70, 75, 100, 200, 250, 500, 1,000 1,200, 1,250, 1,500, 2,000 *known to exist.*)

VERMONT PAPER MONEY.

BY

HENRY PHILLIPS, JR.

VERMONT PAPER MONEY.

This State, the *quarta decima stellarum*, although it is not generally known, fell, but only once, into the error, then so prevalent among her sisters, of issuing paper money. To her honor it can be truly said that the bills suffered no depreciation, and their redemption was so faithfully effected that even the mere fact that such notes were once in existence is unknown to most collectors.

In April, 1781, a general need was felt of a currency more reliable than that which already was in circulation, and the legislature "for the purpose," as the preamble of the act states, "of carrying on the war and the enlargement of the paper currency," authorized an issue of £25,155, in bills of the following denominations, and an equal number of each, viz: £3, 40s., 20s., 10s., 5s., 2s. 6d., 1s. 3d., 1s.

To invent for these bills suitable devices, and to superintend their printing, a committee was appointed, which consisted of Mathew Lyon, Edward Harris, and Edward Stiles.

The notes were to remain in circulation until the first day of June, 1782, by which time they were to be redeemed at the rate of six shillings to the Spanish silver dollar; and to meet this anticipated expense, a tax of 1s. and

3*d.* on the pound was laid upon the grand list of the state, and as we have already said, they were entirely redeemed by that time. Some *few* specimens, probably kept as curiosities at that time, are known to be in existence now.

The face of the bill read as follows:

"No. ——— Vermont Currency.

"The possessor of this bill shall be paid by the treasurer of the state of Vermont — in Spanish milled dollars of six shillings each, or in gold or silver coin equivalent, by the first day of June, A. D. 1782, by order of assembly, Andover, May, 1781."

(Signed by two persons.)

On the reverse is found the denomination of the bill, with the usual death threat against those who should counterfeit them, and the words "Westminster, printed by Spooner and Green, 1781."

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